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TODAY: SPORTS
Willenbrock Grabs Lead Page 20

New Political Currents Help Propel the Euro

Obstacles Fall in Bonn and Paris

By John Vinocur
International Herald Tribune

PARIS — Quietly, much of the hard edge has come off the politics surrounding Europe's future common currency. It is now likely that the euro will move forward on time, avoiding both a German election conflict focusing on its possible postponement, and an open French-German struggle for control of its future policy-making mechanism.

The new circumstances developed over the past two weeks with the removal of two linked political obstacles that could have blocked or hampered the start-up of the euro.

NEWS ANALYSIS

In one case, Gerhard Schroeder, the leading Social Democratic candidate for the nomination to face Chancellor Helmut Kohl in German national elections next year, has unmistakably played down his willingness to turn his doubts about the common currency into a central election theme. With Oskar Lafontaine, the other possible Social Democratic Party nominee, identifying himself as a clear supporter of the euro, and the incumbent chancellor portraying the currency as his symbolic life-work, no major German candidate appeared willing to serve as vector for the country's mistrust about abandoning the Deutschemark during the run-up to the euro.

In the other development, Prime Minister Lionel Jospin of France stated his government's willingness to respect the full independence of the future European Central Bank, putting aside the French position that a "Euro Council" or "economic government" was necessary to serve as its political chaperone.

Taken at its word, Mr. Jospin's statement in effect removed a perceived French challenge to the German concept of a hard European currency, beyond the reach of political fiddling. With the issue of the euro essentially dormant in France, and the government here committed to its punctual start, the prime minister was clearly seeking to eliminate doubts about French intentions from the German debate.

The events were separate from the burst of europhoria on London's stock market Friday based on reports the Labour government was seeking sterling's entry into the European monetary union soon after the scheduled start in 1999. But they contributed to the same conclusion: that politics and market sentiment had sufficiently moved so as to ensure the currency would start promptly, with only the unforeseen remaining as a potential source for derailment.

Mr. Schroeder, who polls indicate now stands to beat Mr. Kohl in the October 1998 vote, softened his position after the defeat in Hamburg regional elections of his ally Henning Voscherau, the city's incumbent mayor, who took a line virtually matching the national candidate's skeptical position on the euro. With a few days to consider the results, Mr. Schroeder told the weekly Die Zeit at the weekend that "European policy, the euro included,

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As Mine Union Learns, It's Now 'New Labour'

By Warren Hoge
New York Times Service

ASFORDBY, England — The three men in blue public-works coveralls weeding the shoulder of the road just up from the clattering conveyer belts of the Asfordby mine were asked where the plant entrance was.

"*Next turning on the left, mate,*" one of them answered, leaning on his hoe. "And if you find any jobs down there, save one for me."

The fact is, shortly there will be no jobs left even for the people who still have them at Asfordby, Britain's most modern colliery and the last government-sponsored effort to prolong the future of the country's once mighty coal industry. It is due to close by the end of October and the few workers left are busy salvaging equipment, dismantling machinery and helping seal the pits.

Conceived in 1977 under a Labour government beholden to unions, it is shutting under a new Labour government with an eye on a collar of a different color.

What is happening at Asfordby and what will be evident when the smartly turned-out members of "New Labour" gather Monday in Brighton for the first annual convention under a Labour prime minister since 1978 shows that the influence of unions that diminished dramatically under 18 years of Conservative rule is continuing to ebb under the new government.

There was a time when Labour responded to mine closings and layoffs by supporting national strikes. So when the shutdown of Asfordby and the layoff of 490 men were announced last month, Neil Greatrex, the president of the Union of Democratic Mineworkers, made the predictable demand that Prime Minister Tony Blair "come here and put things right."

But when a Daily Telegraph reporter asked the prime minister's office if there were any chance the government would intervene, a spokesman bluntly responded: "Wrong decade."

"They're no better than the Tories," said Ian Riley, 40, his features still covered in coal dust from his morning shift.

"Labour should have helped us a lot more than they did," said Mark Hunt, 35, who, like the three generations of his family before him, has spent his working life tearing at a coal face.

"But once they got our vote, they didn't seem to want us any more."

The layoffs here are the first since the party swept to power in the May 1 election by positioning itself as New Labour representing an aspiring and entrepreneurial Britain. It is a country with the failing smokestack industries that once provided Labour with its core constituency written off as its past.

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A Golf Strategist's Sweet Victory



Laurent Rebours/The Associated Press

Seve Ballesteros kissing the Ryder Cup after the European victory.

Europe's Ryder Cup Defenders Repel the Marauding Yanks

By Ian Thomsen
International Herald Tribune

SOTOGRANDE, Spain — Golfers from a half-dozen European nations, fused together by a charismatic captain from Spain, held onto the most prestigious team prize in golf Sunday when they resisted a furious final charge by the United States to retain the Ryder Cup.

The U.S. team had been the heavy favorite. Under the Stars and Stripes was a team of players from the wealthier, more prestigious and better publicized U.S. tour and anchored by such famous young stars such as Tiger Woods and Justin Leonard.

The European team was a mix of languages and nationalities, a collection of aging stars and youngsters unknown outside the European tour.

By taking eight of the 12 concluding points, the U.S. team nearly scored the greatest comeback in the history of the event. But Europe won 14½-13½.

Ultimately, the finish again confirmed the Ryder Cup as the world's most dramatic golf tournament for the

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Israel and PLO Seek Fresh Start on Peace

Both Hopeful on Meeting at UN

Compiled by Our Staff From Dispatches

JERUSALEM — Israel and the PLO said Sunday that they expected a joint high-level meeting Monday with the U.S. secretary of state, Madeleine Albright, to revive stalled committee talks on implementing their peace deals.

Prime Minister Benjamin Netanyahu forecast Sunday that both sides would agree to restart the negotiations when Mrs. Albright met Foreign Minister David Levy and the PLO negotiator Mahmoud Abbas at the United Nations in New York.

Middle East peacemaking has been in crisis for six months over Jewish settlement building in the West Bank, home to more than a million Arabs, and over Palestinian suicide attacks in Jerusalem.

"The Israeli government agreed to resume the negotiating committees and we see this as a positive step in the right direction," said Marwan Kanafani, a spokesman for Yasser Arafat, the Palestinian president. "We welcome their resumption."

The issues for the committees include the opening of Gaza air and sea ports, a "safe passage" between the West Bank and Gaza and the release of Palestinians held by Israel.

In July, Mr. Levy and another PLO negotiator, Nabil Shaath, agreed that Israeli-PLO committees would renew talks on outstanding issues from the 1995 peace deal. A suicide bombing two days later prevented those talks from getting back on track.

The armed wing of the Hamas group that carried out that bombing called Sunday on its armed cells to launch new attacks in response to what it said was an attempt to kill a Hamas political leader in Jordan.

"We call on all the military branches and groups of Izz el Deen al Qassam in the homeland to speed up the strong and active response for this big crime," the group said.

In another statement, the group also threatened to carry out attacks abroad.

"The attempt by the Zionist Mossad to assassinate our brother Khaled Meshaal forces us to take our struggle against the Zionist enemy outside the frontiers of our country," the statement said, referring to the Israeli secret service.

Hamas, which opposes the peace accords, has claimed responsibility for a number of attacks in Israel, including suicide bombings on July 30 and Sept. 4 that killed 20 Israelis. The group has never claimed responsibility, however, for attacks against Israelis outside the historical boundaries of Palestine.

Mr. Netanyahu also said Sunday that he had ordered the release of half the tax revenues that Israel is withholding from the Palestinians — about $17 million. Israel cut off tax transfers after the two suicide bombings.

The release of the badly needed money came as the Palestinian Authority stepped up a crackdown on Hamas.

During the last three days, Mr. Arafat's forces have rounded up dozens of suspected members of the terrorist group and closed 16 of its institutions.

See MIDEAST, Page 9

CIA Shows Egypt Role In Death Of Libyan

By Jim Hoagland
Washington Post Service

WASHINGTON — The Central Intelligence Agency has developed convincing evidence that Egyptian agents staged the 1993 abduction in Cairo of a prominent Libyan dissident and U.S. resident, who was then turned over to the Libyan regime of Colonel Moammar Gadhafi, according to U.S. officials.

Following a four-year investigation, the CIA told the Clinton administration this summer that it had confirmed for the first time that the dissident, Mansour Kikhia, was taken to Libya and executed there by the government of Colonel Gadhafi, a bitter American adversary whom Washington has long accused of sponsoring international terrorism.

Mr. Kikhia's wife is a U.S. citizen. The former Libyan diplomat, who had lived in the United States for 13 years, was four *months away from receiving U.S. citizenship* when he was kidnapped.

The reported participation in the abduction by Egypt, a key U.S. ally in the Middle East and the recipient of $2 billion a year in American aid, has roiled relations between Washington and the government of President Hosni Mubarak, although the Clinton administration has resisted speaking publicly about the case until asked for comment on this article.

Senior U.S. officials, including Vice President Al Gore, demanded privately this month that Mr. Mubarak order an inquiry into the Egyptian role in Mr. Kikhia's abduction. A U.S. official said that previous White House requests for information, beginning in 1993, produced only "some cooperation."

Mr. Kikhia, who defected to the United States in 1980, served as Colonel Gadhafi's foreign minister and ambassador to the United Nations before turning into a sharp critic of the regime. He disappeared from a Cairo hotel on Dec. 10, 1993, while attending a meeting of an Arab human rights organization he had helped to found.

The U.S. investigation concluded that Mr. Kikhia was taken to Libya immediately and killed in early 1994. One source said that there are indications in the CIA report that Mr. Kikhia's body was buried in the Libyan desert.

Although it has played a key role in the Middle East peace process, Egypt has been under growing attack in Congress for its support of Colonel Gadhafi and the violation of United Nations sanctions against Libya. Mr. Mubarak's government has worked for several years to end a UN ban on air travel to and from Libya, imposed in 1992 because of Libyan involvement in the bombing of Pan Am Flight 103 over Lockerbie, Scotland. Cairo was instrumental in a vote last week by the Arab League in Cairo to defy the ban.

Egypt is regarded as the primary target of an amendment recently offered by Senator Frank Lautenberg, Democrat of New Jersey, that would withhold 5 percent of U.S. aid from any country that

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AGENDA

Recorders Sought In Sumatra Crash

The search for the "black boxes" of the Indonesian Airbus that crashed in northern Sumatra was delayed Sunday because of heavy rains.

The data and voice recorders will be crucial in determining whether forest fires in the area played a part in the crash Friday that killed all 234 people aboard. The pilot had reported low visibility due to thick smoke.

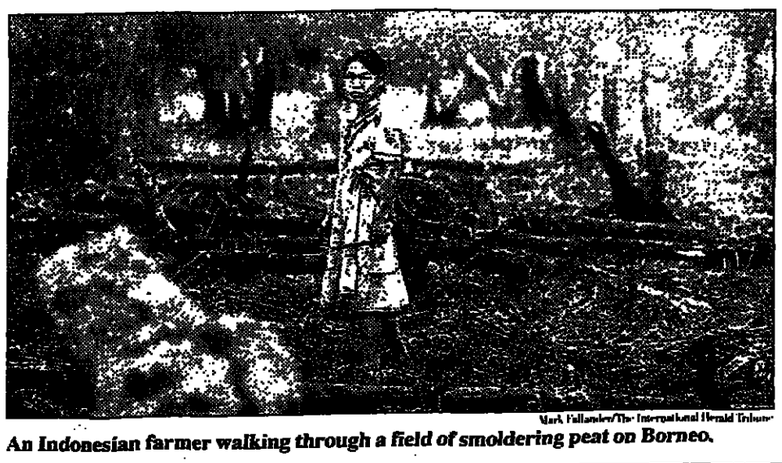
Airline officials said the remains of all of the victims had been recovered from the wreckage. Page 4.

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The Associated Press

'PERFECT' — The 10 crew members of the space shuttle Atlantis and the Mir space station after the two ships docked successfully. Atlantis brought a replacement U.S. astronaut and a new computer. Page 5.



Mark Fallander/The International Herald Tribune

An Indonesian farmer walking through a field of smoldering peat on Borneo.

Shifting Wind Lowers Malaysian Pollution

By Thomas Fuller
Special to the Herald Tribune

KUCHING, Malaysia — The haze plaguing Southeast Asia eased Sunday, prompting Malaysian authorities to lift a week-old state of emergency in Sarawak that closed schools and businesses.

Smog readings also fell in peninsular Malaysia, where airports that had been shut because of poor visibility resumed operations Sunday.

But meteorologists attributed lower air-pollution levels to shifting wind patterns and said that haze caused by forest and paddy fires in Indonesia could easily return.

"If the wind directions change, we could be back to square one," a Malaysian government meteorologist said in Kuching.

And square one, everyone agreed, would not be welcome.

State officials said that no official estimates were available on the affects of the haze on the local economy, but Malaysia's deputy prime minister, who visited Kuching on Sunday and announced the lifting of the state of emergency, said that the economy was sure to be hit.

"If you look at tourism, it's a major factor — not only in Sarawak — but the entire country," said Anwar Ibrahim, who is also finance minister. "You have industrial operations and activities somewhat affected, and productivity of course affected."

Malaysia's favorable winds did little to help residents in other countries in the region.

Officials in Singapore reported Sunday that air quality there had deteriorated toward very unhealthy levels. Reports from both Kalimantan and Sumatra — the two main centers of forest and brush fires in the region — said that air pollution levels were still very high. An In-

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
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Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

For Young Africans, Urban Life Is Eroding Tribal Traditions

By Stephen Buckley
Washington Post Service

NAIROBI — His nickname is Skip. He wears a gold stud in his left ear. His school uniform is usually a Nike T-shirt, Nike sneakers and loose-fitting Levi's. He listens almost exclusively to hip-hop, watches reruns of "The Fresh Prince of Bel Air" on television and says basketball is his favorite sport.

His real name is Mbugua Ngugi, and at 18 he is a child of urban Africa who has never spent more than a few days in his family's rural hometown. That fact does not matter to him.

Asked if he ever wishes he had spent more time in the countryside, he shrugged. "I don't really think about it that much," he said.

Mbugua is part of the first generation of Kenyans — indeed, of Africans, as the phenomenon is visible across the continent — who do not really think much about the countryside. Their working-class, middle-class and upper-middle-class experiences have anchored them in urban centers, pulling them away from the rural links that shaped their parents and grandparents.

Their parents worry that a vital part of what it means to be African is slipping away, that honored traditions will wither and that one of Africa's most important institutions, the extended family, will begin to drift apart. Meanwhile, these young people try to understand and appreciate a life they know mainly from photographs and stories.

The consolation for parents is that their urban children are less likely to be trapped by the tribal thinking that has poisoned political discourse and made national unity an elusive goal in this East African country and throughout the continent. About 75 percent of the population of sub-Saharan Africa still lives in the countryside. But the continent is becoming urban so rapidly that within a few decades there will be many people — young men and women at the heart of Africa's economic and political life — for whom village life will be little more than a history lesson.

"My children would identify themselves as Kenyans first, and then as Nairobians," said

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Treasurer-Diplomat / **Emerging Capitalism**

Rubin and the Great Wall That Is China

Treasury Secretary Robert Rubin just spent 10 days in Asia. In Hong Kong, he wrestled with the problems of Southeast Asia's currency crisis, first at meetings of the finance ministers of the world's leading industrial nations, then at the annual meeting of the International Monetary Fund and the World Bank. Next he traveled to China's interior to assess its confusing, often contradictory brew of economic changes. David E. Sanger, formerly the Tokyo bureau chief of The New York Times and now Washington economic correspondent, joined the tour. Following is his account:



Mark Leong/The New York Times

Treasury Secretary Robert Rubin at the Great Wall during his trip to China.

Sept. 19: A Repair Mission Begins

Up here on Air Force 86971 — the creaky, Eisenhower-era plane carrying Treasury Secretary Robert Rubin and Federal Reserve Chairman Alan Greenspan to Asia — everyone is coroplaining about the pitiful flying range of the plane, which must refuel three times between Washington and Hong Kong. But that allows time for Mr. Rubin to reflect on the fact that this is his first trip to the world's most populous country .

"When I was at Goldman," he says, referring to his 26 years at Goldman, Sachs & Co., "there weren't enough commercial transactions in China to even justify a trip. It was all Tokyo, and at the end a little Hong Kong."

The world looks very different today. Japan can't seem to dig itself out of its hole, and the boom in Southeast Asia has hit a brick wall, with the currency crisis that started in Thailand spreading like jungle thatch.

So Mr. Rubin's tour is now an urgent repair mission. He wants to use the annual meeting of the World Bank and the International Monetary Fund to make sure countries that are opening their financial markets don't backtrack. In China, he must pave the way for President Jiang Zemin's state visit to Washington next month, the first by a Chinese leader in a dozen years.

Mr. Rubin readily acknowledges that the administration's interactions with China over the last five years are nothing to crow about. "We can properly be faulted," he says, "for vastly underinvesting in our relationships with Chinese officials up and down the line." It's no surprise, he adds, that "we keep having such a hard time understanding each other."

As the plane circles halfway around the world, Mr. Rubin huddles with his staff to discuss how to react if anti-Americanism flares in Hong Kong. The prime minister of Malaysia, Mahathir bin Mohamad, will be there, contending anew that American speculators victimized his country by borrowing his currency and using it to drive down his stock market.

Others do not see an American conspiracy in all this, but resent the fact that the United States, while not a major contributor to the $20 billion IMF bailout of Thailand, nonetheless insisted that the Thais endure a strict, Mexico-style austerity plan.

The Japanese, some Treasury officials warn, may try to exploit those emotions to regain influence they have lost during their own recession and banking crisis. This quiet tug-of-war is a constant subtext of relations in the Pacific — and trade deficits, interest rates and direct investment are all weapons in the struggle. "Hoo, boy," Mr. Rubin says. "This could be a circus."

Sept. 20: Jet Lag and a Jolt

It is 8 A.M. in Mr. Rubin's suite overlooking Victoria Harbor, and his prediction is coming true. "We've just had a dispute," Mr. Rubin says as his jet-lagged aides stumble into a staff meeting.

The Japanese are floating a proposal for a special fund to rescue Asian nations caught in the cycle of currency devaluations and stock-market slides. It is hardly an act of altruism: Japan's battered banks have lent tens of billions of dollars to build many of the projects throughout Asia that are now crashing.

Mr. Rubin wants to head off the idea fast. It could amount to an "Asia-for-Asians fund," he says, undercutting American interests.

His biggest fear is that the mere existence of such a huge pool of money could create what bankers call a "moral hazard." Investors could sleep soundly, knowing that any Southeast Asian nation that threw economic discipline out the window would be bailed out. "We need to find a way for investors to take a haircut when this kind of thing happens," Mr. Rubin said.

Sept. 21: Sizing Up Capitalism

This is supposed to be Hong Kong's big coming-out party as a Chinese city, the first huge international gathering since the July 1 handover. China's leaders are pouring in to survey their new pearl.

If during the summer there was speculation that Hong Kong would change China more than China would change Hong Kong, here is China's future: With 20,000 bankers in town, luxury hotels have ratcheted up their rates to more than $500 a night.

Across Victoria Harbor, in Manu Melwani's narrow tailor shop, the phone rings. "O.K., O.K., O.K., I'll come to him," Mr. Melwani says, exasperation creeping into his voice.

It is Sunday morning, usually time here for a leisurely dim sum brunch, but Mr. Melwani is inundated with orders from customers who want their suits before the end of the World Bank-IMF meetings.

This banker, Mr. Melwani is told over the phone, is special. "This fellow — Greenberg, Greentree, no here it is, Greenspan — does he run a big bank?" he asks a customer. Well, not exactly. But he does set interest rates for the United States and, by extension, much of the world.

Mr. Melwani digests these facts for a moment, glances at his wall of fabrics, and concludes: "He'll probably want pinstripes."

Sept. 23: The Free-Market Waltz

Mr. Rubin wants the reporters traveling with him to understand that he has just won a great diplomatic victory, even if the evidence is scarce. A meeting with Southeast Asia's finance ministers that Treasury officials feared could turn into a debacle actually turned out well.

"They all said the same thing," Mr. Rubin declares. "In their view, they have to stay on the path to market liberalization." The ministers agreed to hold a meeting somewhere in Asia, with participants yet to be named, to talk about what to do next. The subtext: America is back in the middle of the game; the steam is out of the Japanese bailout plan.

The session is a reminder that Mr. Rubin and his staff spend an enormous amount of time talking to other finance ministers and central bankers — most of whom, these days, share a relatively common world view. With some exceptions — usually to protect their own territory — they lean toward open markets, competition and deregulation.

Finance ministers describe the world of currencies and fiscal policies the way they would like to see it — and then pray that the markets win out over political opposition. That is true even for Anwar Ibrahim, the finance minister of Malaysia and Mr. Mahathir's presumed successor.

Meeting with Mr. Rubin, he is backpedaling fast, offering assurances that his country — whose currency hit a 26-year low after Mr. Mahathir's tirade against currency traders — is not about to ban currency trading. Mr. Rubin tried to be sympathetic; after all, he has been trotted out more than once to clean up messes after President Clinton's ill-considered comments on currencies.

"I told him," he said later, "that the situation is not completely unfamiliar to me."

Sept. 25: Skeptical Students

In 1989, during the Tiananmen Square protests, People's University in Beijing was a hotbed of anti-government activity. But today, the students are questioning not the legitimacy of their government, but the global push — led by the United States — to open China's markets.

After listening to a speech by Mr. Rubin, the students ask what he would do about shrinking the state-owned enterprises, and he responds by talking about the need for "a basic safety net," and a program to figure out how workers can "relocate themselves in the economy."

"We have the same problems," Mr. Rubin notes. "But it is the wrong answer to resist change, because you will simply stagnate."

The students are intrigued, but not convinced. "My professor told me that in Mexico there was a lot of suffering a few years ago," says Ye Bihua, 20, an economics major. "And I'm afraid that if we let foreign banks come to China too soon, it will cause even more troubles, like Mexico had."

Sept. 26: A Jovial President

President Jiang Zemin is waiting for Mr. Rubin in the doorway of the Yingtai, the ornate, 300-year-old guest house where foreign dignitaries are received. "The Treasury Department is always the most important in any country," Mr. Jiang says jovially. "Meeting a Treasury secretary makes you think you will become rich."

What struck American participants in the meeting was that Mr. Jiang was so casual, even telling self-deprecating jokes about how history may judge his move to freer markets. He spoke about bringing in newer, younger leaders who understood global markets. But he also made it clear that China would move on its own schedule.

"He was often quite philosophical," Mr. Rubin said later, "and he clearly had a plan."

And then the Treasury secretary's motorcade slipped out of the compound, across Tiananmen Square, where crowds watched the sunset lowering of the Chinese flag, and Mr. Rubin began the long trip back to the Washington fray.

Algeria Opposition Front Asks Others to Join Truce

Islamic Group Challenges Regime to Talk

By Roger Cohen
New York Times Service

PARIS — Pursuing its apparent attempt to end six years of fighting in Algeria, the Islamic Salvation Front has urged all opposition groups to adhere to a truce and called for a national peace conference involving "all forces in society without exclusion."

There was no immediate response from the military-backed government of President Liamine Zeroual, a retired general. The army's decision to stop an election that seemed set to bring the Islamic Salvation Front to power in early 1992 ushered in an undeclared war that has taken tens of thousands of lives.

The Front, which has since been formally banned in Algeria, issued a statement Saturday calling for a general amnesty, the lifting of Algeria's state of emergency, the release of prisoners, aid for victims of the conflict, and a "national conference of reconciliation" that would involve the government and all political parties and movements.

The statement followed the announcement of a unilateral and open-ended truce by the party's military wing last week.

In effect, it amounted to a challenge to the government to recognize the party openly and to begin negotiations with it. Secret talks were held throughout the summer between the Islamic Salvation Front and the government, leading to the truce, diplomats said.

If Mr. Zeroual did indeed begin talks with the Islamic Salvation Front, it would constitute an astonishing step. For several years, the government has spoken of "residual terrorism," has claimed the war was won and has described the party as a chapter of Algerian history that was closed.

The call Saturday from the party did not differ greatly from one issued in Rome in early 1995. Then, too, the party called for a conference of national reconciliation, suggested it was ready to renounce violence and appealed to all forces in Algeria to begin talks. But the government rejected the plan.

It is likely, however, that the government now feels somewhat stronger and in a better position to negotiate.

Many Algerians have been deeply alienated by the Islamic Salvation Front's campaign of violence, which has involved the slaying of writers, journalists, musicians, intellectuals and others deemed incompatible with the party's vision of an Islamic society.

At the same time, a ruthless military campaign by the army has taken a heavy toll on the Army of Islamic Salvation, the party's military wing. The party's only hope of a revival may lie in a peace that restores its image and gives its militants time to regroup.

"Nobody sincerely attached to religion and the homeland should ignore this call," the party said Saturday in its statement, issued by its executive office in Germany.

The party no longer controls several of the guerrilla movements, however, including the Armed Islamic Group, which claimed responsibility on Friday for a recent massacre. The authenticity of the claim was unclear.

■ Rebels Killed in Army Operation

Algerian newspapers said Sunday that government forces killed 25 Muslim rebels in a southwestern province and were besieging another group of radical guerrillas in an abandoned village near Algiers, Reuters reported.

Army helicopters were intermittently pounding the village of Ouled Allel, emptied of its 12,000 residents since 1994 when guerrillas from the Armed Islamic Group settled in after ordering inhabitants to leave or face death, El Watan reported.

Twenty-five rebels were killed in an army operation in Sidi Merzoug in the province of Saida, Al Khabar daily said.

TRAVEL UPDATE

24 Spanish Airlines Back Duty Free Shops

MADRID (AP) — Twenty-four Spanish airline companies have called on the European Union to hold off on plans to eliminate duty free shopping within the 15-nation bloc, saying the measure could lead to the loss of thousands of jobs, news reports have said.

Felipe Navio, who heads the Association of Spanish Airline Companies said he had sent a letter Friday to the EU urging it to postpone plans to scrap duty free shopping for internal community flights by the end of June 1999.

Rebellion Shakes Tourism in Uganda

KAMPALA (Reuters) — Attacks by anti-government rebels in the north and west of Uganda have hit the country's tourist industry, which has been gradually recovering from its collapse in the 1970's, Tourism Minister Moses Ali said Sunday.

"A number of bookings have been canceled," he said. "We do not now expect to meet our target of 250,000 tourists this year."

Carter Museum Opens

PLAINS, Georgia (AP) — Surrounded by the people in the town he says made him president, Jimmy Carter opened the door to a museum at the old train depot that once served as his campaign headquarters.

The three-room, hardwood-floor museum spotlights Mr. Carter's road from his run for state senate through his election as governor of Georgia to his inauguration as the 39th U.S. president.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Australia, Paraguay, Taiwan.
TUESDAY: Botswana, Egypt, India, Sao Tome.
WEDNESDAY: China, Cyprus, Macau, Nigeria, Rwanda, San Marino.
THURSDAY: China, Guinea, India, Israel, Macau.
FRIDAY: Germany, Honduras, Israel, South Korea.
SATURDAY: Lesotho.

Sources: J.P. Morgan, Reuters, Bloomberg

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Portugal 050112632 Singapore 8001202501 S.Africa 0800996337
Spain 900931007 Sweden 020793158 Switzerland 0800857233
Thailand 0018001192166l3 USA 8009945757 UK 0800966632
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Labour Gives Royal Yacht The Deep Six

Reuters

LONDON — The British finance minister, Gordon Brown, ruled out Sunday a reprieve for the royal yacht Britannia, which is due to be decommissioned at the end of the year.

He said on BBC television that he had found it difficult to justify spending up to £12 million ($19 million) in public funds to cover the yacht's running costs.

The 44-year-old Britannia, with a crew of 230, became an election issue when the Conservatives, who were routed a few weeks later by Labour, promised to commission a £60 million replacement yacht. The announcement misjudged the public mood, as a poll showed that 72 percent of Britons disapproved of using public money for a yacht.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream | Unseasonably Cold | Unseasonably Mild | Heavy Rain | Heavy Snow

North America
Windy with soaking rains from New England to Newfoundland Tuesday and Wednesday. Cool with some sunshine from the Midwest to the Ohio Valley. Pleasant in the Northwest Tuesday, then cloudy with showers through Thursday. Sunny and hot from Texas to Southern California.

Europe
Oslo will have some sunshine Tuesday, then stormy over much of Scandinavia with wind-driven rains through Thursday. Comfortable with some sunshine over France and Italy, but windy and cooler from England to Germany and Poland. Cold in western Russia; snow is likely near Moscow.

Asia
Beijing and Seoul will be comfortable with some sunshine Tuesday through Thursday, though a stray shower is possible in Beijing. Cool in Tokyo with clouds and limited sun. Steamy with showers in southeastern China, while soaking rains will continue in Sichuan and Yunnan provinces.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	29/84	16/61 c	29/84	14/57 sh
Amsterdam	21/70	14/57 s	23/73	16/61 pc
Ankara	18/61	-1/31 pc	18/64	-1/31 pc
Athens	23/73	14/57 pc	22/71	13/55 pc
Barcelona	22/71	16/61 c	24/75	18/64 pc
Belgrade	17/62	9/41 pc	18/64	6/43 s
Berlin	20/68	13/55 pc	22/71	14/57 s
Brussels	23/73	14/57 s	24/75	16/61 pc
Budapest	19/66	8/46 pc	20/68	13/55 pc
Copenhagen	17/62	13/55 pc	22/71	14/57 s
Costa Del Sol	27/71	16/61 r	24/75	16/61 r
Dublin	23/73	16/61 pc	21/70	14/57 pc
Edinburgh	17/62	8/46 pc	18/61	14/57 c
Florence	23/73	14/57 pc	24/75	16/61 s
Frankfurt	21/70	11/52 s	22/71	12/53 s
Geneva	23/73	12/53 pc	22/71	13/55 pc
Helsinki	12/53	6/46 c	15/59	9/48 pc
Istanbul	17/62	8/46 pc	16/61	7/44 pc
Kiev	9/48	3/37 sh	9/48	2/35 sh
Las Palmas	23/73	18/64 pc	23/73	19/66 pc
Lisbon	21/70	14/57 c	23/73	16/61 pc
London	24/75	16/61 pc	24/75	14/57 pc
Madrid	24/75	12/53 c	26/79	13/55 sh
Mallorca	29/82	17/62 c	27/80	17/62 sh
Milan	23/73	11/52 pc	24/75	16/61 pc
Moscow	5/41	1/34 sh	7/44	5/41 c
Munich	18/64	5/42 pc	19/66	12/53 pc
Nice	25/77	17/62 s	25/77	18/64 s
Oslo	15/59	8/46 c	19/66	12/53 s
Paris	23/73	13/55 s	23/73	13/55 pc
Prague	18/64	8/46 s	19/66	13/53 pc
Reykjavik	7/44	6/43 sh	9/48	2/35 r
Riga	10/50	3/37 sh	11/52	5/41 c
Rome	25/77	14/57 s	26/77	17/62 pc
St. Petersburg	8/46	7/44 sh	9/48	3/37 r
Stockholm	18/61	11/52 pc	18/64	12/53 pc
Strasbourg	23/73	12/53 s	22/71	18/61 c
Tallinn	10/50	4/39 pc	11/52	3/37 c
Tbilisi	21/70	14/57 r	19/66	9/48 r
Venice	21/70	12/53 c	22/71	15/61 pc
Vienna	17/62	9/48 pc	19/66	11/52 s
Warsaw	14/57	7/44 c	18/61	6/43 s
Zurich	19/66	11/52 pc	20/68	14/57 pc

Middle East

Abu Dhabi	43/109	29/79 s	42/107	25/77 s
Beirut	27/80	21/70 s	24/75	17/62 pc
Cairo	29/84	16/61 pc	28/82	16/61 pc
Damascus	21/70	9/48 pc	23/73	9/48 s
Jerusalem	21/70	11/52 s	23/73	12/53 pc
Luxor	38/100	18/64 s	37/98	18/64 r
Riyadh	40/104	23/71 s	37/98	22/71 s

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Almaty	28/79	9/48 s	24/75	11/52 s
Bali	31/88	19/66 s	29/84	21/70 s
Bangkok	32/89	24/75 r	32/89	24/75 pc
Beijing	29/84	17/62 s	28/79	14/57 pc
Bombay	29/84	20/68 s	29/84	22/71 s
Calcutta	31/88	24/75 c	29/84	23/73 c
Chiang Mai	29/84	20/68 c	29/84	22/71 c
Colombo	29/84	23/73 c	29/84	24/75 pc
Hanoi	29/84	24/75 c	31/88	25/79 c
Ho Chi Minh	32/89	24/75 pc	32/89	24/75 pc
Hong Kong	28/82	24/75 r	29/84	25/77 c
Islamabad	37/98	19/66 s	39/97	17/62 s
Jakarta	31/88	22/71 pc	31/88	23/73 pc
Karachi	32/89	22/71 s	31/88	22/71 s
K. Lumpur	32/89	23/71 sh	31/88	23/73 r
K. Kinabalu	31/88	23/73 c	30/86	24/75 c
Manila	31/88	23/73 sh	31/88	24/75 c
New Delhi	35/95	21/70 pc	31/88	18/64 c
Phnom Penh	31/88	24/75 pc	31/88	24/75 c
Phuket	32/89	24/75 r	32/89	24/75 pc
Rangoon	29/84	22/71 r	29/84	23/73 c
Seoul	22/71	11/52 s	23/73	11/52 pc
Shanghai	23/73	16/61 s	23/73	19/64 pc
Singapore	30/86	21/70 r	30/86	22/71 pc
Taipei	24/75	24/75 r	29/84	24/75 c
Tokyo	21/70	16/61 pc	19/66	16/61 pc
Vientiane	29/84	21/70 sh	29/84	22/71 c

Africa

Algiers	33/91	19/66 c	31/88	19/66 c
Cape Town	19/66	11/52 pc	21/70	10/50 s
Casablanca	19/66	10/61 c	21/70	13/55 sh
Harare	27/80	11/52 s	29/79	12/53 s
Lagos	29/84	23/73 pc	28/82	24/75 c
Nairobi	28/82	11/52 pc	27/80	13/55 pc
Tunis	33/91	22/71 c	30/86	19/66 c

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	8/46	1/34 pc	10/50	3/37 sh
Atlanta	27/80	14/57 s	29/79	13/55 pc
Boston	22/71	15/59 sh	21/70	11/52 pc
Chicago	19/66	8/46 c	18/61	7/44 pc
Dallas	31/88	17/62 s	29/82	16/61 pc
Denver	26/79	7/44 s	27/80	8/46 s
Detroit	20/68	9/48 pc	15/59	5/41 pc
Honolulu	31/88	22/71 pc	32/89	24/75 pc
Houston	33/91	17/62 s	29/84	16/61 pc
Los Angeles	33/91	16/61 s	31/88	16/61 pc
Miami	32/89	23/73 r	32/89	24/75 pc
Minneapolis	18/61	7/44 sh	16/61	8/46 pc
Montreal	19/64	10/50 r	15/59	5/41 c
Nassau	32/89	23/73 pc	32/89	24/75 pc
New York	25/77	19/61 pc	21/70	12/53 pc
Orlando	33/91	21/70 pc	31/88	21/70 pc
Phoenix	38/100	23/73 s	38/100	23/73 s
San Fran.	20/68	14/57 s	24/75	14/57 pc
Seattle	20/68	12/53 c	20/68	12/53 c
Toronto	21/70	9/48 pc	14/57	4/39 sh
Vancouver	17/62	9/48 r	19/64	9/48 pc
Washington	27/80	15/59 pc	23/73	12/53 pc

Latin America

Buenos Aires	13/55	0/32 s	13/55	3/37 pc
Caracas	29/84	22/71 c	30/86	22/71 pc
Lima	21/70	17/62 pc	22/71	17/62 pc
Mexico City	19/66	13/55 c	23/73	12/53 s
Rio deJaneiro	28/82	23/73 pc	28/82	22/71 pc
Santiago	16/61	4/39 pc	14/57	2/35 pc

Oceania

Auckland	16/61	14/57 pc	17/62	10/50 r
Sydney	19/61	9/48 pc	19/66	11/52 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

Republicans Now See Entire Tax Code as Foe

Gingrich Believes Voters, Disillusioned Over Cuts, Want Reform of the System

By Alison Mitchell
New York Times Service

WASHINGTON — On the third anniversary of their Contract With America, Republican leaders in Congress have begun a concerted drive to move beyond the issue of tax cuts and shift the national debate to a radical revision of the tax code.

The push toward fundamentally revising the progressive income tax, or scrapping it altogether, comes as the Republican Party begins an intense debate over a fiscal agenda to follow the balanced-budget agreement.

It also reflects the fact that pollsters say voters are becoming less responsive to simple promises of tax cuts.

"As we've talked to citizens in the last few months about where to go beyond the contract, over and over people have said to us, 'Don't just cut taxes — reform the system,'" Newt Gingrich, the House speaker, said in a telephone interview.

To lay the groundwork, Representative Dick Armey of Texas, the majority leader, and Representative W.J. Tauzin of Louisiana announced last week that they were embarking on a three-city "Scrap the Code" tax tour in October. The two plan to debate the merits of Mr. Armey's proposal for a flat tax and Mr. Tauzin's call to substitute a national retail sales tax for the income tax.

Even inside the Republican Party, this promises to be a divisive debate. House Republican leaders acknowledge that no consensus exists among the members on what kind of tax revision to embrace.

Some wary Republicans remember how the call of Steve Forbes for a flat tax came under attack in the 1996 Republican presidential primaries by critics who said a flat tax would sacrifice billions in federal revenue and help the wealthy at the expense of the middle class.

And because Mr. Gingrich has also pledged that the party will push for a new tax cut every year, his remarks have sent Republicans in the House and Senate rushing to promote a favorite idea for consideration, even though most targeted tax breaks would be eviscerated under any radical tax revision.

Republicans are also split over whether to push the tax revision issue forward next spring in time for the 1998 mid-term Congressional elections or wait for the presidential campaign two years later.

As a strategy to force the tax issue to the top of the presidential agenda, several House Republicans have introduced bills to let the federal tax code simply expire in 2000 or 2001.

"The ultimate goal, obviously, is to have radical tax reform," said Representative Tom DeLay of Texas, the House whip. "We have not decided exactly how you get there."

The ferment inside the Republican ranks comes at a time when the nation looks toward a balanced budget by century's end.

With majorities of both political parties in Congress having voted for the plan to erase the federal deficit by 2002 and to trim taxes, Democrats have cut into the Republicans' traditional advantage on fiscal issues.

Moreover, some Republicans say that two decades after Ronald Reagan rode into office as the apostle of slashing taxes, pollsters are finding high levels of cynicism about tax cuts.

"What pollsters are telling us," a House Republican aide said, "is that the tax-cut issue doesn't pack the punch it once packed, but Republicans would be foolish to walk away from the tax-cut issue because it's ours and we should keep it."

In an advisory manual to Republican lawmakers, Frank Luntz, a consultant who helped craft the Contract With America, called taxes "the perennial GOP issue, an issue we can never, ever afford to cede to the Democrats."

Mr. Luntz said he had found enormous political support for tax reform. But he warned that because former President George Bush and President Bill Clinton both made tax pledges that they broke, "the public just doesn't trust politicians who promise tax cuts."

In addition, he said: "Our success has shot us in the foot. We did such a good job expressing the urgency of balancing the federal budget that any talk of tax 'cuts' makes the public think about the balanced budget. Where the alleged 'cuts' are going to come from?"

Mr. Luntz advised Republicans to talk about tax relief instead of tax cuts and to campaign against the IRS.



Dan Steinbacher/The Associated Press

KLAN RALLY — Michigan skinheads shouting "Sieg Heil" in support of a weekend meeting of the Knights of the Ku Klux Klan in Caro, Michigan. No major violence occurred.

AMERICAN TOPICS

Cops Now Get a Work Station With the Coffee and Doughnuts

Once it was the free doughnuts that enticed police officers to spend time at coffee shops or diners. Now, convenience stores and supermarket chains are offering office space to lure men and women in blue.

In the Washington area, several store chains began setting aside space about a year ago for police officers to make telephone calls, fill out reports, sip coffee and, not coincidentally, establish a presence in the community.

The New York Times reports that the 7-Eleven chain — so vulnerable to late-night holdups that rulers are placed on the walls near the exits so that cashiers can estimate the height of departing robbers for the police — now has a spot for police officers in every one of its 18 Washington stores; and McDonald's has opened 33 such work stations in its restaurants in Washington and 27 in Detroit.

Store managers say the step, part of a return to community policing that has helped fight crime in many cities, has reduced robberies and shoplifting and discouraged panhandlers.

The police, for their part, are happy to have a spot to work and sip coffee.

Short Takes

A trend toward more and larger bookstores was supposed to usher in what some called a "golden age of bookselling," doing for Americans' minds what fast-food restaurant chains had done for their stomachs. That plot, however, has not panned out.

First came such mall-based bookstores as Walden and B. Dalton; then, with dizzying speed, such megabookstores as Barnes & Noble (which owns B. Dalton), Borders (which owns Walden) and Books-a-Million spread across the country.

The amount of space devoted to bookselling, The Washington Post reports, has doubled or even tripled in the '90s. But instead of expanding the market, the new booksellers have killed the smaller independent shops, industrywide sales have stagnated, and the bubble may be about to burst. "I don't see how the whole thing can't collapse," said Robert Riger, a publishing consultant. "The worst is still to come."

In a case that had drawn national attention, a Virginia judge reversed himself and said that an epileptic man should not have been found guilty of assault for grabbing a woman's arm during a seizure on a Washington subway train. Judge Griffin Garnett Jr. dismissed the guilty verdict against Scott Vining, 35, after the defendant's attorney provided a videotape of Mr. Vining having seizures.

On your way up the West Coast to Oregon, be sure not to overlook the oddly pleasing charms of Dorris, California, population 925. Dorris has its Museum of the Unexplained (formerly the Bigfoot Museum), including life-size dolls of Moth Man, Frogman, Dover Demon and, of course, Bigfoot. And then there is the world's tallest flagpole, as high as a 20-story building. The town raised $80,000 to erect the pole in hopes of drawing tourists. The stampede has yet to begin.

Brian Knowlton

POLITICAL NOTES

Clinton Visits School Of His Political Roots

HOT SPRINGS, Arkansas — Bill Clinton, Hot Springs High Class of 1964, returned over the weekend to the building where he honed his skills on the tenor saxophone, delivered his first political speech to a large audience (the graduation benediction), played a (small) part in "Arsenic and Old Lace" and lost the election for senior class secretary.

Now that he is president, Mr. Clinton is undoubtedly better positioned as he embarks on a challenge that dwarfs all those others. "I want to save my high school," he said.

Actually, Hot Springs High closed before Mr. Clinton became president because of low enrollment. He helped start a fund-raising drive that seeks to convert it into the nonprofit Clinton Cultural Campus.

"The only thing I'm not sure I like about this is I really don't think I'm old enough to have anything named after me," Mr. Clinton said to the crowd. "I thought you had to have at least one leg in the grave before they would name anything for you. But if it helps to raise another nickel, I accept." *(NYT)*

Energy and Water Bill Facing Line-Item Veto

WASHINGTON — The administration and leaders of Congress are eyeing the emerging $20.7 billion energy and water spending bill as one of the first real tests of the president's line-item veto authority.

That measure — along with several other major spending bills to fund defense, military construction, and labor and health programs — is the type of pork-laden legislation that many believe the line-item veto was designed for. It is loaded with a variety of local projects.

"If you're looking for line-item veto bait, they're in every one of these bills," conceded the Senate Budget Committee chairman, Pete Domenici, Republican of New Mexico, who also heads the Appropriations subcommittee on energy and water. *(WP)*

Quote/Unquote

Vice President Al Gore, addressing a gathering of several hundred Democratic Party officials, alluding to one of the most embarrassing episodes to surface in the Senate campaign-finance inquiry — his attendance last year at a Buddhist temple luncheon in California, which Mr. Gore has said he did not realize was a fund-raising event: "Before I start my speech, I just wanted to check: This is not a fund-raiser, is it?" *(NYT)*

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THE WORLD'S DAILY NEWSPAPER

A Near Hit Above New York

Compiled by Our Staff From Dispatches

NEW YORK — The Federal Aviation Administration said over the weekend that two jumbo jets had a near-collision close to New York's John F. Kennedy International airport on Sept. 19.

The incident involved two Boeing 747 jets — Tower Air flight 213 and British Airways flight 177 — as one was taking off and the other was either circling the airport or attempting to land, the aviation agency said.

One jet was about 200 feet (60 meters) above the other and 1.3 miles (two kilometers) to one side.

"That's not real close," said Les Dorr, an agency spokesman. The incident is under investigation, he said.

"Right now it's classified as an operational error, which means one of the controllers may have made a mistake, and a pilot deviation, meaning one of the pilots did something he shouldn't have done," Mr. Dorr said.

The New York Post reported Saturday, however, that the two air traffic controllers took a leave of absence over the incident to recover from the trauma of almost seeing the planes crash.

One controller, Barrett Byrnes, told the Post that he credited the Tower Air pilot, who was taking off for San Francisco, with turning his plane quickly to the left to avoid the BA plane, which had just aborted a landing.

"He cranked that airplane over like it was an F-16," Mr. Byrnes said. "He just turned it on its side." *(Reuters, AP)*

Away From Politics

• **A chain of weight-loss clinics** has rankled the maker of Prozac by promoting a combination of the antidepressant and another drug, phentermine, as a diet aid to replace the blend of fenfluramine and phentermine that had gained favor before fenfluramine was taken off the market earlier this month. Eli Lilly & Co. warned the Nutri/System Weight Loss Centers that it did not endorse the new blend for weight loss and said the chain's commercial references to Prozac violated trademark law. *(AP)*

• **The Roman Catholic Church in Chicago** has traditionally sent Chicago sons to be priests around the world. But like the rest of the country since the 1960s, the heavily Catholic city now faces a priest shortage, and the city's new archbishop, Francis George, has proposed borrowing some from Latin America, Eastern Europe and Africa. *(NYT)*

• **About 1,000 people were forced to flee** their homes in the towns of Dobbins and Oregon House, in northern California, as a wind-driven blaze that was being battled by about 1,400 fire fighters raced through a heavily forested area, state forestry officials said. *(AP)*

• **To settle a lawsuit brought** by environmental and animal rights groups, officials at Yellowstone and Grand Teton National Parks have agreed to study whether the use of snowmobiles in the two parks encourages bison to migrate into Montana and Wyoming. *(NYT)*

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ABU DHABI
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AL JUBAIL
AMMAN
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DURBAN
JOHANNESBURG
KINSHASA
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LUSAKA
NAIROBI
VICTORIA FALLS

*FORUM HOTEL

ASIA/PACIFIC

Handing Reins of the Military to 2 Allies, Jiang Tightens Grasp

By Steven Mufson
Washington Post Service

BEIJING — There has been a changing of the guard at the top of the Chinese military.

The recent 15th congress of the Chinese Communist Party nudged into retirement two aging revolutionary war veterans who were close allies of the late Chinese leader Deng Xiaoping. They have been replaced by two generals, Zhang Wannian and Chi Haotian, both newly elected to the party's powerful 22-man Politburo and both owing their allegiance and recent promotions to President Jiang Zemin, the party's leader.

The new leadership of China's 3-million-member army will help decide how the country tries to fulfill its global ambitions, modernize its military forces, stem corruption in army ranks, maintain party control and deal with continuing budget constraints. General Zhang and General Chi will be closely watched as they take control of a military that is tied to the stability not only of China but also of all East Asia.

Just as striking as the new positions awarded to the pair, however, was the position denied to them: Neither secured a spot on the party's elite seven-man standing committee. The effect will be to bolster Mr. Jiang's role as the spokesman for the military. Though Mr. Jiang, like the other members of the newly elected standing committee, has never served in the army, he holds the post of chairman of the central military commission.

The effect "is to enhance the stature of Jiang himself," said Lyman Miller, who teaches Chinese politics at Johns Hopkins University's School of Advanced and International Studies. Mr. Jiang has put more "formal distance" between him and the next person in the military hierarchy, Mr. Miller said.

Despite the omission of the generals from the party's highest council, the military remains a powerful force in national politics and within the party.

For now, General Zhang appears to be the most important uniformed leader. He was part of the four-member official delegation for the Hong Kong handover ceremonies, along with Mr. Jiang, Prime Minister Li Peng and Foreign Minister Qian Qichen. At the recent party congress, General Zhang also won a spot on the party's influential secretariat, responsible for overseeing party decisions affecting the military. This is a vital role in China, where the People's Liberation Army is expected to obey the orders of the Communist Party and not serve as an independent or strictly professional fighting force.

"Our army is a people's army led by the party, and upholding the party's absolute leadership over the army is our fundamental principle," General Chi was quoted as telling tank commanders in Beijing in the Saturday issue of the official People's Daily.

"We must study and carry out the spirit of the 15th party congress, and most importantly study the report made by General Secretary Jiang Zemin," the newspaper quoted General Zhang as saying in a speech at China's Defense Academy.

While both General Zhang, 69, and General Chi, 68, are war veterans, Western diplomats who have met them say the two men have contrasting styles and experiences.

General Zhang, who oversaw the missile tests fired off Taiwan's shores during the island's free presidential elections last year, "comes in from the field," one diplomat said. "He is extremely well-versed in the application of force and power, but he has almost no experience in what we would call grand strategy, international relations or the implications of the use of force."

General Chi, by contrast, has worked mostly as political commissar within the military. At the center of the army bureaucracy for three decades, he is better attuned to political nuances. A strong supporter of Mr. Jiang, General Chi is also more comfortable meeting foreign officials, though he stumbled during a tour of the United States when he told a congressional committee that there had not been any massacre when troops crushed student-led protests in Beijing in 1989.

The two generals share similar origins. Both were born in Shandong Province, joined the Communist Party as teenagers and served in the People's Liberation Army toward the end of the civil war against the rival Nationalist forces.

But General Zhang rose in the ranks through combat posts. "Zhang Wannian's background is typical of the new military leadership; he is a soldier's soldier," said David Shambaugh, political science professor and director of the Sigur Center for Asian Studies at George Washington University. "His age and career bridge the pre- and post-1949 periods and make him typical of the 'third generation' of military leadership."

In 1990, General Zhang was given command over the Jinan military region, which is responsible for reinforcing Beijing if needed. In 1992, Mr. Jiang visited the Jinan military command and, in the wake of an army purge that year, General Zhang was moved to Beijing to head the general staff department and start his final climb to the top.

More politically oriented than General Zhang, General Chi rose to prominence in the Beijing military region during the Cultural Revolution in the early 1970s, serving in a succession of sensitive political commissar posts. Throughout the 1970s he oversaw propaganda in the region.

When Mr. Deng returned to power and became chief of staff in 1977, General Chi became his deputy. In 1987, he was named chief of general staff and was a staunch defender of the actions taken during the 1989 massacre in Beijing.

Even with his allies at the top of the military, it remains to be seen whether Mr. Jiang can command the military's loyalty. But he is trying.

Within 10 months of becoming party chief, Mr. Jiang toured every one of the seven regional military commands. Many of the commanders he met were promoted. Since Mr. Jiang became chairman of the central military commission, he has personally promoted 40 generals.

As for Generals Zhang and Chi, Mr. Jiang has kept a balance instead of promoting one over the other. Both are deputy chairmen of the central military commission.

"Zhang's position on the Secretariat may give him a slight edge, but not by much," said Joseph Fewsmith of Boston University. "A very diplomatic solution."

Earthquake in Indonesia Kills 14 and Injures 30

Tremor on Sulawesi Hits 6.0 on Richter Scale

Compiled by Our Staff From Dispatches

JAKARTA — At least 14 people were killed Sunday when an earthquake measuring 6.0 on the open-ended Richter scale struck the Indonesian island of Sulawesi, the police said.

The Meteorological and Geophysics Agency said the quake, centered 20 kilometers (13 miles) north of the coastal town of Parepare in South Sulawesi Province, hit at 8:30 A.M.

Officials said 30 houses and buildings were flattened and hundreds were damaged in Parepare, 1,400 kilometers northeast of the capital, Jakarta.

The police said eight people were reported killed in the town, while six died in surrounding villages. At least 30 people were said to have been injured.

The epicenter was thought to be near Pinrang, a lowland town set back from the Makassar Strait near the mountainous districts that form Indonesia's key cocoa-growing areas. It is also on the road to the spectacular mountain valleys and peaks in the Tanah Toraja area further north.

Most of the dead and injured were hit by falling masonry from crumbling houses and buildings, Lieutenant Pine Peden of the police said. Cars and motorcycles were also damaged by debris.

Telephone links to some areas outside Parepare were not working Sunday night.

Witnesses said Sunday's quake shook the town for about five seconds.

"Everyone panicked when they felt the quake," Lieutenant Peden said. "They ran from their homes."

Another police officer said many residents feared aftershocks and were too afraid to return to their homes, mainly one- or two-story and built of brick and concrete. "Many homes have large cracks in their walls," he said. "People fear they will fall down."

A local hospital building was also structurally damaged. *(Reuters, AP)*



Bobby Yip/Reuters

Passers-by looking at Chinese flags on display Sunday in Hong Kong before China's National Day on Wednesday.

Hong Kong Gets Tighter Election Rules

Compiled by Our Staff From Dispatches

HONG KONG — Hong Kong's unelected Parliament passed an election law Sunday that critics say curtails democracy in the former British colony.

Pro-democracy campaigners protested the move and demanded the abolition of the Parliament, the Provisional Legislature created by Beijing.

After an 18-hour debate, legislators voted, 29 to 9 with 11 abstentions, to pass the Legislative Council bill, which establishes the rules for the first election in Hong Kong since its return to Chinese rule by Britain in July. The election is scheduled for May 1998.

"We are now in a position to move forward in preparing for the elections to be held in May next year," Secretary for Constitutional Affairs Michael Suen said after the session.

Democracy campaigners sharply criticized the bill for being undemocratic by narrowing the franchise.

Under the new law, 30 of 60 seats in the legislature will be decided by 30 business and professional groups known as "functional constituencies," which effectively means voting by companies.

About 2 million people who voted in this category in the last election in 1995 will lose their vote, with only 200,000 people eligible to participate.

Another third of the seats will be decided by proportional representation, and the remaining 10 will be filled by an 800-member college of pro-China groups.

Supporters of the reduction in franchise point out that only 1.1 million of the 2.5 million people eligible to vote for this block of seats even registered for the 1995 elections, which they claim indicated a lack of interest.

Several democracy campaigners demonstrated outside the legislature after the vote, stretching a black banner across the front door and pasting pamphlets on windows denouncing the legislators. They were quickly taken down by security guards.

"It's an irony that the Provisional Legislature can set the electoral law for the territory's 6.5 million people," said Andrew Cheng, the group's spokesman. "It has no legal basis nor popular support from the public."

Hong Kong's Democratic Party blasted the new law, proposed by the China-appointed chief executive, Tung Chee-hwa, as undemocratic and unfair.

"We are in principle against the new rules because it is not democratic," Lee Wing-tat, a former Democratic Party legislator, said by telephone. "It is also not going to be a fair election." *(Reuters, AP)*

Search for 'Black Box' Delayed on Sumatra

Compiled by Our Staff From Dispatches

BUAH NADAR, Indonesia — Heavy rains forced a delay Sunday in the search for the flight recorder of an Indonesian Airbus that crashed in northern Sumatra, killing all 234 people aboard, after the pilot reported thick smoke in the area.

Officials from Garuda, Indonesia's flagship airline, said the search for the flight data recorder and the cockpit voice recorder — the so-called black boxes — of the Airbus A300 B-4 that crashed Friday would be resumed at dawn Monday.

The recorders will be crucial in determining the cause of the crash, and whether the haze from forest fires on Sumatra played a part.

"If the weather was clear and the pilot could see, I don't think it could happen," said Mohammed Chanin, a Garuda district manager at Medan in northern Sumatra.

But the head of the Garuda Indonesia Communications Forum for Pilots, Shadrach Nababan, said: "Haze is an ordinary thing for pilots. There are instruments in the plane and on the ground that can be used."

Transport Minister Haryanto Dhanutirto was quoted by the official Antara news agency as saying: "Whether the plane flew low because of the pilot, or because of instructions from air traffic control or because of engine trouble, all are still being investigated. That will be looked at by the independent investigation team."

An air force official said earlier that the remains of the 234 victims had been removed from the wreckage, which is strewn across a ravine south of Medan. The plane was flying from Jakarta to Medan when it went down minutes after the pilot reported low visibility.

Garuda officials said 74 of the bodies had been identified and 55 had been flown to Jakarta. *(Reuters, AFP)*

BRIEFLY

Toll at 47 in Bangladesh Cyclone

DHAKA, Bangladesh — Prime Minister Hasina Wazed flew Sunday to Bangladeshi islands where high winds and a tidal wave from a cyclone killed at least 47 people and left hundreds injured.

The prime minister distributed relief goods and ordered a huge rescue and rehabilitation effort, officials accompanying her said.

The 150 kilometer-per-hour (90 mile-per-hour) cyclone from the Bay of Bengal tore across a chain of islands Saturday, leaving tens of thousands homeless. The government started flying relief supplies Sunday and said navy ships would assist in the effort. *(Reuters)*

Burma's Top Dissident Praises Junta

RANGOON — Nobel Peace laureate Daw Aung San Suu Kyi praised Burma's military rulers Sunday for permitting the biggest opposition gathering in years and asked them to follow up with negotiations and the release of political prisoners.

Daw Aung San Suu Kyi expressed hope that the gathering of 700 members of her National League for Democracy would mark a first step in the government's easing up on her movement. "Our people are happy because we were able to hold a congress, and I think the country and the international observers will take due note of the fact that the authorities have tried to be cooperative," she said in a short speech.

Military intelligence agents took pictures of the delegates as they came and left Daw Aung San Suu Kyi's residence but otherwise kept a relatively low profile. *(AP)*

India Begins Making Prithvi Missile

NEW DELHI — India said Sunday that it had started production of the medium-range Prithvi missile, which has been denounced by Pakistan as a threat to peace. "Production of the missile has commenced," India's Defense Research and Development Organization said in a report released after the Prithvi was rolled out at an exhibition of Indian-made weapons.

The report said two variants of the surface-to-surface ballistic missile had been developed.

The government said a longer-range version, with a range of 250 kilometers (155 miles), would be used by the air force, while the 150-kilometer version would go to the army. The missiles are reported to be able to carry conventional but not nuclear warheads. *(Reuters)*

China Says Missile Passed Muster

BEIJING — China said Sunday it had successfully tested a new type of long-range ground-to-air missile capable of evading radar detection.

In a sign of the importance China was placing on the development, state media said the tests at a secret desert air force site were attended by the deputy chief of general staff, the deputy director of the general political department and the deputy director of the general logistics department.

The three officers praised the successful testing of the new high-speed missile "capable of evading electronic interference," the Liberation Army Daily said Sunday. "This raises China's air defense ability to a new level," the newspaper said. *(Reuters)*

For the Record

Cambodia's political leaders in exile have begun a campaign for international supervision of an election scheduled for next spring in their country. Their drive is bolstered by recent decisions of the World Bank, the International Monetary Fund and the United Nations to rebuff the government of First Prime Minister Hun Sen. *(NYT)*

New Constitution Buoys Thai Spirits

By Thomas Crampton
Special to the Herald Tribune

BANGKOK — Thailand adopted a new anti-graft constitution over the weekend, opening the door for what supporters of the charter called a new era of politics.

The new constitution is intended to wipe out money politics and increase the stability of the country's short-lived civilian governments.

Also Saturday, the embattled six-party coalition government led by Prime Minister Chaovalit Yongchaiyut weathered a no-confidence motion hours before Parliament approved the constitution.

Support for the constitution and Mr. Chaovalit's government swept aside two key factors that had been undermining investor confidence in the country's troubled economy.

Partners in the coalition government, however, are pressing for changes in the cabinet, and some people fear that new laws may chip away at anti-corruption reforms.

Suffering from its worst economic slump in more than a decade, Thailand was forced last month to seek a $17.2 billion bailout package, led by the International Monetary Fund. Since the beginning of the year, the stock market index here has lost more than a third of its value and the country's currency, the baht, has plunged by more than 40 percent against the U.S. dollar.

Disturbed by political bickering over management of the crisis, the foreign banks and institutions that help to fuel the economy have limited or even cut off credit lines.

"Now the economy will improve because people will have the confidence to come into the country," said Vorapol Sirivapvimol, a leader of Businessmen for Democracy. "But we still have to watch how the Parliament drafts the new laws."

Mr. Vorapol and several thousand other supporters of the new constitution held an all-night candlelight vigil in Sanam Luang Park in Bangkok on the eve of the vote.

"This constitution is the most important political change to happen in Thailand since the military was thrown out of power in May 1992," he said.



Apichart Weerawong/Reuters

Mr. Chaovalit in Parliament after the no-confidence motion's defeat.

Thai Rath, the nation's most widely read newspaper, said the constitution was a "revolution" for Thai politics.

This elation may translate into some short-term improvement of investor sentiment about Thailand, but some analysts predicted that the optimism would not last.

"I think there is a lot of wishful thinking by the elite in Bangkok," said Neil Saker, the Singapore-based head of regional economic research at SocGen-Crosby securities. "The real hanky-panky comes with implementation of the constitution."

Parliament has 240 days following the vote Saturday to draft laws under the new constitution before the body is dissolved. Some fear Parliament will water down reforms, particularly those concerning the vote-buying system that got many lawmakers elected.

Other provisions under attack include limits on awarding government contracts to legislators, the end of the military's monopoly on television and radio frequencies and a ceiling on the number of cabinet posts governments can create.

"Since the countdown for a new election has begun, politicians will be thinking of their supporters and electorates, not pushing through tough reform," a political analyst said. "This is a long lame-duck period."

The danger of political distractions, some analysts said, is that once again tough economic choices would be delayed.

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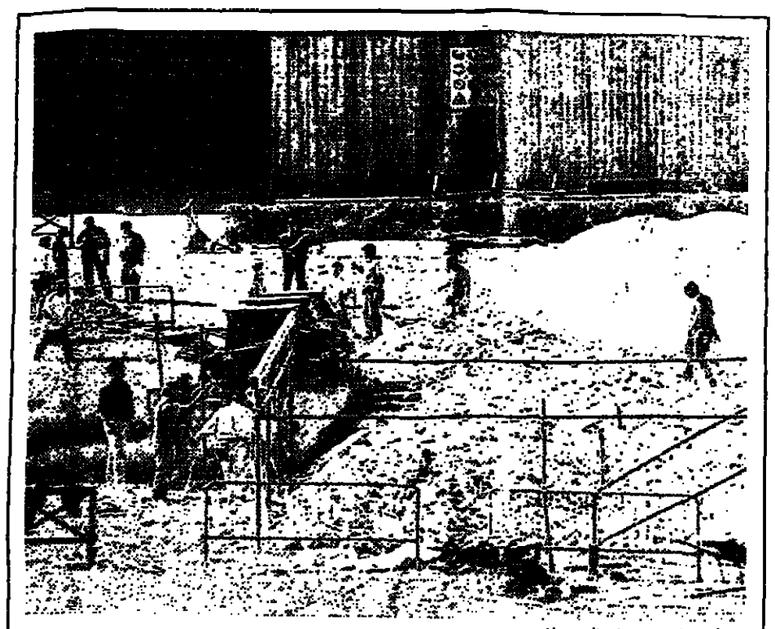
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EUROPE



MASTERPIECES IN RUBBLE — Remains of sections of the frescoed ceiling of the basilica of St. Francis of Assisi, lying near the basilica Sunday. They were removed after the two quakes Friday that hit Assisi and other parts of Umbria, causing 11 deaths. Frescoes by Giotto on the side walls survived with cracks.

'Picture Perfect' Linkup of Atlantis and Mir

Reuters

MOSCOW — Tensions eased on Sunday after the U.S. space shuttle *Atlantis docked successfully with* Mir, bringing a replacement American astronaut and a new computer to Russia's troubled orbiting craft.

The two ships nudged together in what the American flight director, Paul Dye, called a "picture perfect" docking, and the seven crew members from Earth exchanged handshakes with the three men on Mir.

The Atlantis crew includes Dr. David Wolf, 41, who will spend four months on Mir after the National Aeronautics and Space Administration ruled at the last minute that it was safe despite pressure from skeptical U.S. politicians.

Dr. Wolf is replacing Michael Foale, a physicist, who has been on board since May.

The 11-year-old space station has been beset by problems this year, including a serious fire, an orbital collision, life support breakdowns and computer failures.

The first thing James Wetherbee, the shuttle commander, did after opening the hatch to Mir and shaking hands with its commander, Anatoli Solovyev, was to hand over a new computer for the space station.

Shortly after the docking, astronauts on Mir and Atlantis started hauling the computer and other cargo between the two ships.

The cargo includes repair gear, scientific instruments, fresh drinking water, electrical batteries, tanks of air, and a cap designed to plug a leak in Mir's Spektr science module, which was punctured in a crash with a cargo ship in June.

■ "We Got It, Houston"

Kathy Sawyer of The Washington Post reported from Houston:

After two days of pursuit, as each craft barreled around Earth at 17,000 mph (27,300 kph), Mr. Wetherbee edged his 100-ton Atlantis gently up to a docking port attached to the 150-ton Mir. Flower-like petals on each craft gripped each other and snapped the spacecraft together as they passed over central Asia.

"We got it, Houston," Mr. Wetherbee said as live television pictures of the event were beamed to Earth.

The successful linkup, the seventh of nine planned, set the stage for Dr. Wolf to move aboard the partly crippled Russian outpost for a four-month tour of duty. Dr. Wolf, who is an engineer as well as a physician, said he hoped to work on about three dozen scientific experiments in six fields, with particular focus on the growth of human cancer tissue, as well as helping his Russian crew mates repair and maintain their habitat in space.

The four-month stay in orbit of his predecessor, Mr. Foale, has been plagued with setbacks large and small, including a potentially disastrous June collision that punctured his laboratory and cost him most of his on-board belongings. Mr. Foale will return to Earth aboard Atlantis at the end its 10-day flight.

In an interview before his flight, Dr. Wolf said he hoped he and his mates aboard Mir, Mr. Solovyev and Pavel Vinogradov, the flight engineer, "will be remembered as the ones who completed the repair work." He said the Mir mission was "like a crystal ball, looking into the future 10 years, 8 years, 12 years, into the life of our next space station."

Critics in Congress and elsewhere have charged that the long-duration sojourns by Americans aboard Mir should be terminated because they do not produce enough research or other results to justify the risks. NASA officials have rejected that view, saying they are confident that the missions pose no unacceptable risks. The experience will be invaluable when the United States and Russia start building and operating a new international space station, they say.

The rendezvous Sunday began with the precisely timed launching of Atlantis from Kennedy Space Center on Thursday night and continued with a series of orbiter thruster-firings that enabled Atlantis to gain on Mir.

Arriving at a point a half-mile directly beneath Mir, on an imaginary line between Mir and the Earth's center, Mr. Wetherbee took manual control, easing up to Mir at 1/10th of a foot (30 centimeters) per second to the docking bull's eye on the Kristall science module, one of five trailer-size chambers attached to Mir's central core.

The 10 space fliers aboard the two craft will spend the next few days transferring the largest mass of cargo ever from the shuttle to Mir, including 1,400 pounds (635 kilograms) of fresh water, 1,034 pounds of U.S. scientific equipment and 4,040 pounds of Russian supplies and hardware.

The Atlantis agenda also includes the first shuttle-based joint U.S.-Russian spacewalk, scheduled for Wednesday, and a close fly-around of Mir to inspect and photograph damage done in the collision, as well as numerous experiments.

BRIEFLY

Swiss Endorse Anti-Drug Plan

GENEVA — The Swiss voted Sunday for the government to continue its anti-drug strategy, which centers on a program of controlled handouts of heroin to addicts, initial projections indicated.

Seventy percent of voters rejected an initiative called "Youth Without Drugs" that proposed making the drug policy tougher and abandoning the supervised handouts of heroin to 800 addicts in about 15 towns, initial polls on Swiss television said.

In another referendum, 56 percent of voters approved the government's proposal to maintain a 3 percent cut in unemployment benefits that aims to reduce the spiraling national debt, television estimates showed.

The referendum on drugs showed public support for both heroin handouts and methadone treatment for about 14,000 addicts, roughly half of Switzerland's estimated 30,000 consumers of hard drugs. *(AFP)*

U.K. Beef Exports Are Reported

PARIS — At least 10,000 metric tons of British beef have been shipped to mainland Europe by way of Ireland and Northern Ireland to get around an export ban, a French newspaper reported Sunday.

The report came a day after Saudi Arabia banned beef from Germany believed to have come from Britain, where the scare over "mad cow" disease prompted the European Union to ban British beef exports in March 1996.

Le Journal du Dimanche said the British farm minister, Jack Cunningham, told an unidentified member of the European Parliament on Aug. 28 that "several tens of thousands of tons" were fraudulently exported from Britain in the past year.

A European Commission spokesman in Brussels had no immediate comment on the report. *(AP)*

Tension Over Turkey's EU Bid

MUNICH — Prime Minister Mesut Yilmaz of Turkey said he expected to get little support for his country's bid to enter the European Union during his three-day visit to Germany, which begins Monday.

"Germany has made perfectly clear on all levels that Turkey is difficult for the EU to digest in its expansion process," Mr. Yilmaz said in an interview in this week's issue of the news magazine Focus.

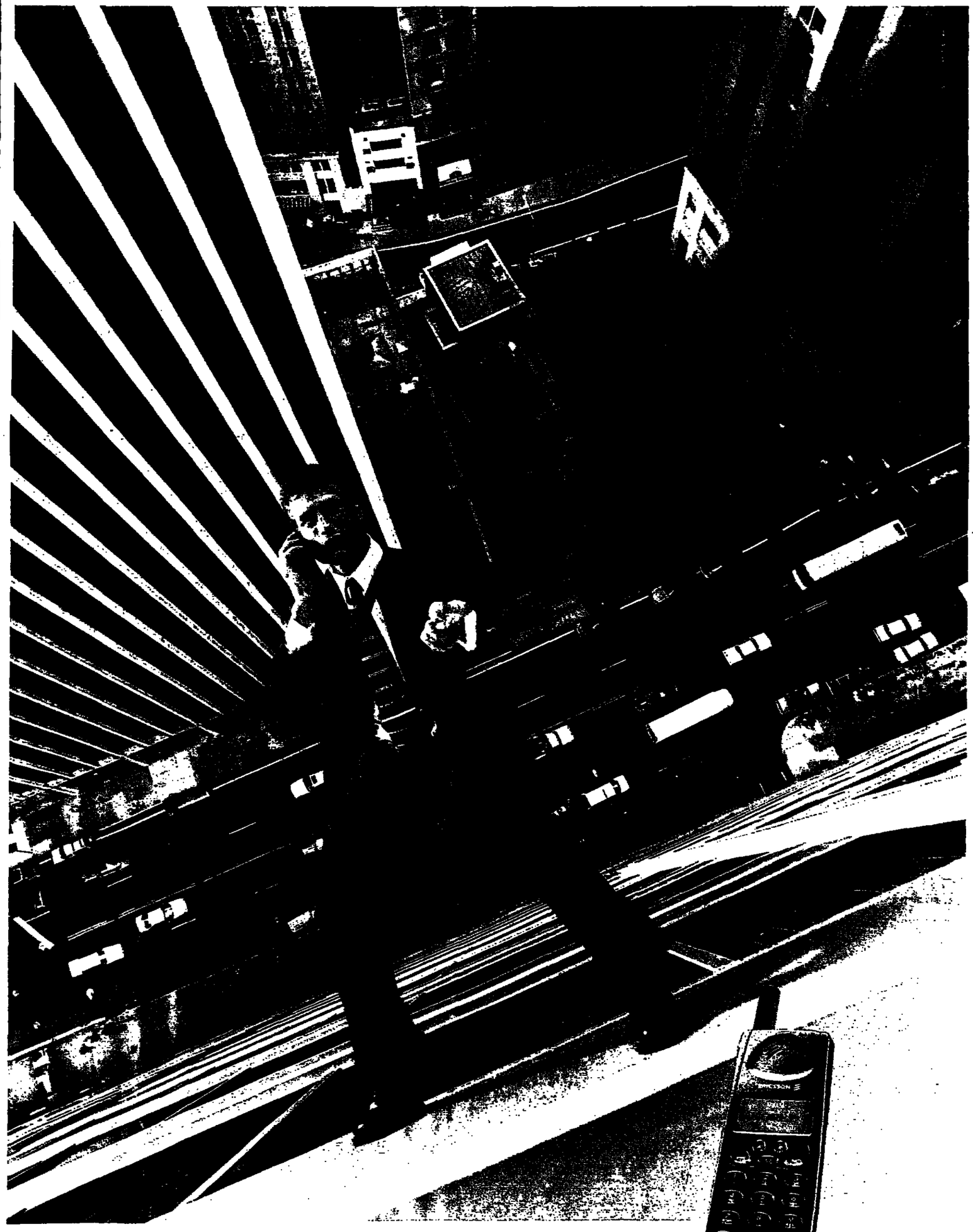
The German foreign minister, Klaus Kinkel, said this month that Turkey must first resolve its dispute with Greece over the divided island of Cyprus and human rights concerns stemming from its war with separatist Kurds. *(AP)*

Charles Plans South Africa Trip

JOHANNESBURG — Prince Charles will take his 13-year-old son, Prince Harry, on a South African tour in October, the director of a game reserve said Sunday.

Danie Malan confirmed a Johannesburg newspaper report that Charles and Harry would visit the southern Shamwari game reserve. They would be joined by Earl Spencer, the brother of the late Princess of Wales, who lives in Cape Town.

Lord Spencer vowed at his sister Diana's funeral Sept. 6 to see that her sons grow up in as free and warm an environment as she wished them to. His inclusion in the group appeared to indicate that he and Charles were cooperating. *(AP)*



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INTERNATIONAL

U.S.-Russian Accord Delays A Moscow Arms Cut 5 Years

By Steven Lee Myers
New York Times Service

UNITED NATIONS, New York — The United States has signed a package of arms-control agreements with Russia, pushing back by five years one of the major treaties of the Cold War but clearing the way for further cuts in nuclear weapons.

The agreement would give Russia until the end of 2007 to dismantle launch and delivery systems — missile silos, bombers and submarines — as required by the second Strategic Arms Reduction Talks treaty, known as START-2.

However, those systems must be disabled by 2003.

The treaty was one of the major arms accords of the Cold War.

President Boris Yeltsin has insisted he needs time to win approval of it in the Russian Parliament.

Ratification of START-2, which was signed in 1993, has become stalled in Moscow. The new agreements are meant to break the logjam.

Administration officials said the agreements, which were signed Friday, would clear the way for new talks to negotiate further cuts in nuclear weapons.

The accords, which were signed with Belarus, Kazakstan and Ukraine as well as with Russia, also modified the Anti-Ballistic Missile Treaty of 1972, reaffirming prohibitions on longer-range defensive weapons.

But the accords would give new flexibility for the development of shorter-range systems intended to replace weapons like the Patriots used in the Gulf War against Iraqi missiles aimed at Israel and bases in Saudi Arabia.

The pact indirectly puts new limits on the velocity and range of future missile systems by restricting the targets they can be tested against.

The pact explicitly bars the United States from testing or deploying any space-based missile defense systems, a restriction that has already drawn criticism from some circles in Congress.

The delay in the effective date of START-2, as well as the modifications to the Anti-Ballistic Missile Treaty, were concessions on the part of the United States.

They are meant to reassure Russia that, as the two sides move to cut their nuclear arsenals still more under a future START-3, the United States would not deploy new missile defenses that could counter Russian weapons that would remain after negotiated cutbacks.

The signing of the agreements coincided with the first meeting of foreign ministers of NATO and Russia, a committee created to ease Russia's fears of an expanded NATO.

Central to the debate on adding new nations to NATO was a concern that Russia would feel so threatened that it would drag its feet on further arms-control agreements.

Secretary of State Madeleine Albright signed the accords Friday afternoon during a ceremony at the Waldorf-Astoria in Manhattan with Foreign Minister Yevgeni Primakov of Russia and their counterparts from Belarus, Kazakstan and Ukraine.

She said the agreements would clear the way for Russia to ratify the START-2 treaty — a step that the U.S. Senate took in 1996 — and thus reduce nuclear warheads by roughly half — between 3,000 and 3,500.

The agreements could prove controversial in the Senate, where some Republicans have opposed efforts to curb the development of shorter-range missile defenses.

Others have proposed scrapping the Anti-Ballistic Missile Treaty altogether.

U.K. Denies Reports of Poll on EMU

Reuters

LONDON — Britain rejected on Sunday speculation that it was about to call a snap referendum on British entry into European economic and monetary union, insisting that its position on the single currency was unchanged.

Finance Minister Gordon Brown described a Sunday newspaper report on a snap vote as "nonsense." Britain will make an announcement on its European monetary intentions at the "appropriate time," he said on BBC Television, adding that a decision was likely "about the turn of the year."

His view was echoed by Foreign Secretary Robin Cook. "It is unlikely Britain will join in the first wave," he said. "There are formidable obstacles in the way of doing so."

"If the single currency proceeds and if it is a success, then in the longer term Britain could not stay out. But that is in the longer term, it is not a little after," he said in another BBC interview.

Chile Prepares for Pinochet's Departure

General's Retirement Could Signal Decline in Military's Influence

By Calvin Sims
New York Times Service

SANTIAGO — Twenty-four years after General Augusto Pinochet led a coup that began Chile's transformation from a backwater banana republic to the economic star of Latin America, the country's 82-year-old military commander is finally preparing to retire.

During the lavish celebrations and violent protests marking the anniversary Sept. 11 of his coup in 1973 against the leftist government of Salvador Allende, General Pinochet announced that he would step down from his military post March 11.

General Pinochet gave up political power in 1990 to a democratically elected government, but he continues to serve as head of the army. He is required to step down by March 11 under the constitution he wrote when he turned over power.

He said in his announcement that he had sent President Eduardo Frei the names of five candidates to succeed him.

Under the constitution, Mr. Frei, whose six-year term ends in 2000, must pick a successor to General Pinochet from among the five most senior generals, who presumably are on General Pinochet's list.

General Pinochet is widely respected in Chile for initiating the social and economic changes that have led to the country's prosperity. Its free-market economy has had 12 consecutive years of record growth, with low inflation and unemployment.

But his retirement is generally viewed here as a necessary step toward final consolidation of democracy in a country that suffered atrocities under his rule. More than 2,000 political opponents were killed or disappeared without a trace during his reign, from 1973 to 1990.

"Pinochet has been the most important figure in Chile's history this century," said Guillermo Holtzman, a professor of political science at the University of Chile. "His departure will finally allow this country to begin to practice democracy without the huge shadow that Pinochet casts over politics and everyday life, whether it be intentional or not."

For many Chileans, General Pinochet is a symbol of both pride and pain.

"I'm sorry to see Pinochet go, because he's changed this country for the better," said Miguel Tomado, 42, a gardener. "But his soldiers killed my favorite uncle, and I don't feel comfortable having him remain in such a high position."

General Pinochet has tried to ensure his continuing role in the government through another feature in his constitution that allows him to assume a Senate seat once he retires.

But political analysts said the general's departure would almost certainly reduce the military's political and social influence in this country of 14 million people.

With General Pinochet in the background, Mr. Frei is expected to gain the political support needed to eliminate the four seats in the 47-member Senate that are currently reserved for the military and to replace the generals who retain half the seats on the National Security Council.

The government has already placed tighter financial restraints on the military, which automatically receives 10 percent of the revenue of the national copper-mining company. In a recent shift, all military expenditures must be approved by the civilian-controlled Defense Ministry.

General Rafael Villarroel Carmona, the army's chief of staff, who is a leading candidate to replace General Pinochet, said that the relations between the civilian government and the military had never been better and that the military had no desire to interfere in politics.

The military, he added, had a responsibility to uphold what he called Chile's "historical and cultural values."

Human-rights groups maintain that General Pinochet's retirement will do little to change the privilege and freedom from prosecution that they say Chile's military enjoys.

Under a law imposed by General Pinochet as a condition for agreeing to democratic elections, amnesty from prosecution was granted to anyone accused of human-rights abuses during his rule.

In an attempt to discover what happened to political opponents, the government has permitted court investigations of military abuses. But lawyers for human-rights groups said General Pinochet had succeeded in getting many of the investigations transferred from civil courts to military tribunals so that officers accused of killings, torture, rapes and beatings would not have to face public scrutiny.

"The armed forces believe that they are the guardians of democracy and that they are the moral reservoir in Chile," said Nelson Caucoto, a lawyer for the Foundation for Social Help, a human-rights group supported by churches. "But as long as they feel that way and as long as they justify human-rights abuses, there's no true reconciliation here."

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President Ketumile Masire and fellow heads of state from the region will lead discussions at the International Herald Tribune's third Southern Africa Trade & Investment Summit to be held in Gaborone on November 18-19. The Presidents will be joined by business and finance leaders from the region, as well as renowned international figures and senior representatives from some of the world's leading companies currently investing in Southern Africa.

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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

New Panama Canal Board: It's a Lock for Nepotism

By Larry Rohter
New York Times Service

PANAMA CITY — As a presidential candidate in 1994, Ernesto Perez Balladares was burdened by voters' misgivings about his party's unsavory ties to the deposed dictatorship of General Manuel Antonio Noriega. To allay those fears, he promised that, if elected, he would treat the Panama Canal not as the spoils of victory, but as the jewel of the national patrimony.

Now, having announced his choices for the board of directors that will run the vital waterway after the United States hands it over to Panama in 1999, President Perez Balladares is being accused of breaking his word.

Among his nominees to what will be an 11-member board are four members of his own or his wife's family, including a first cousin, a son-in-law and the spouses of two other cousins.

In addition, the president has appointed one of the chief fund-raisers of his election campaign, a businessman famous for being embroiled in lawsuits.

Other selections include two leading members of the Revolutionary Democratic Party who served Mr. Noriega as his foreign minister and interior minister and the son of Mr. Perez Balladares's former foreign minister.

Reaction to the president's appointments among opposition groups, unions and the press has been caustic and angry. A cartoon published in the country's leading newspaper, La Prensa, early in September showed Mr. Perez Balladares greedily stuffing himself with pieces of a birthday cake labeled "Canal" as a voice calls out, "Darling, your relatives have arrived," while four other hands reach for portions.

In an editorial, the newspaper reproached the president for violating "a tacit understanding among the leaders of all parties that the canal is to be placed above and beyond the political fray" and "out of the reach of ignoble appetites."

With the naming of the new board, the newspaper continued, "the canal has been converted into a fount of juicy sinecures for the relatives and associates of the president."

As required by a pair of treaties signed 20 years ago, the waterway is currently managed by the Panama Canal Commission, a U.S. government agency whose board has five American and four Panamanian members.

At noon on Dec. 31, 1999, that panel will give way to the Panama Canal Authority, to be directed by the all-Panamanian board appointed by the government here.

Shipping companies and foreign governments have never questioned the ability of ordinary canal employees, whose professionalism and dedication to the waterway were demonstrated during the Noriega dictatorship.

Already, more than 92 percent of the waterway's 9,800 workers, including more than two-thirds of the pilots who steer ships through the canal, are Panamanians.

Nor have the qualifications of the Panama Canal's administrator, Alberto Aleman Zubieta, been challenged. A Panamanian engineer educated in the United States, Mr. Aleman was appointed last year and has been praised as a capable and impartial civil servant by shippers concerned about the canal's transition from U.S. to Panamanian hands.

But shippers, diplomats, canal employees and their unions have not expressed the same confidence in Mr. Perez Balladares's decision to turn to relatives, friends and political associates to set canal policy.

"This sends the wrong signal to everyone who uses the canal and wonders if Panama can run it as efficiently and honestly as the Americans," said a European shipping company executive who attended a congress on the future of the canal held here Sept. 7 to 10.

Jorge Ritter, whom Mr. Perez Balladares appointed in July as minister of canal affairs and has named to head the future Panama Canal Authority, did not respond to requests for an interview regarding the board's composition.

But in an interview late last year, he argued that while "being a friend of the president cannot be the only credential, neither should it be an impediment."

In addition, Joe Reeder, an American who is chairman of the Panama Canal Commission, said in early September that some of the local criticism of Mr. Perez Balladares's choices was unfair and misdirected.

Several of the nominees, he pointed out, already serve as members of the commission or the technical or legal working groups that are overseeing the transition.

"I know almost all of them, and I couldn't be more pleased," he said.

"In a nation of under 3 million people, there are many relationships among the established families. But I think the key is the quality and background these individuals bring as successful businessmen and bankers already involved intimately in the business of the canal."

On Sept. 15, in a move that analysts of canal affairs called surprising, Mr. Reeder announced that he was resigning. His successor is expected to be named in October.

The prominence of Mr. Ritter, who served first as Panama's ambassador to Colombia and then as foreign minister when Mr. Noriega was in power, is itself seen by many here as a sign of politicization of the canal's administration. Though he is regarded as enjoying the president's confidence, Mr. Ritter is neither an engineer nor a transportation expert, and testimony during Mr. Noriega's 1991 trial in Miami implicated him in the sale of a car to a member of a Colombian drug cartel.

"We still have to show him where Miraflores is," a union official said in jest, referring to a set of locks just north of the capital.

'No Weather' Is the Outlook For Bulgaria

The Associated Press

SOFIA — Rain or shine? Don't ask Bulgarian meteorologists for the next few days.

Thieves looking for copper to sell made off with a section of a high-voltage cable that supplies power to the Meteorological Institute in Sofia, leaving the forecasters unable to use their instruments.

Bulgarian radio reported the theft Saturday. It was the first time in the 50 years of the institute that the country had no forecast.

The institute has no backup power source because the economically struggling state cannot afford the equipment.

Communications and electricity disruptions have become common throughout Bulgaria in recent years because of cable thefts. Several would-be thieves have been electrocuted attempting to cut and make off with cables.

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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

هكذا من الأصل

LANGUAGE

When Outreach Becomes Overreaching

By William Safire

WASHINGTON — When he was first asked about his presence at a 1996 *fund-raiser* in a California Buddhist temple, Vice President Al Gore claimed he had no idea it was a fund-raiser, which has now become a politically dirty word. He thought the purpose of the gathering was "community *outreach*."

After the election, an aide put out word that Gore did know it was a "*finance-related event*" and added with fervent candor, "If he had the opportunity now to not say 'community *outreach*' and to use a different term of art like political *outreach* or something like that . . . he probably would have done it." Another anonymous White House aide, after the derision directed at the euphemism *finance-related*, tried a different compound modifier: it had been understood to be a "*donor maintenance*" meeting.

In all this linguistic bobbing and weaving, the key word is *outreach*.

Officialdom embraces the word: "We care about the *outreach* to small business," says a Los Angeles small-business agent. So does the charity world: A new gymnasium "gave us greater *outreach* into the neighborhood," says a Memphis philanthropy. Churches get with it, too: "We want to see our church be the hub of evangelistic *outreach* to the community," says a Norfolk, Virginia, clergyman.

Where did its current popularization begin? In the labor movement: The "Apprenticeship *Outreach* program" was begun by the AFL-CIO in 1969 to encourage the hiring of those who were then called Negro youths in the construction trades. Labor's Lane Kirkland and the Nixon labor secretary George P. Shultz put the government firmly behind the plan. Arnold Weber, then assistant secretary of manpower and now chancellor of Northwestern University, recalls the word being bruited about heavily at the February 1970 labor conclave at Bal Harbor, Florida.

"I was probably the passive conduit of some flack," he tells me.

"The word was *in the bureaucratic* air at the time." The renowned educator (who used to send the White House memos stamped "Teeth Only") adds: "Your etymological question should be: Why was the word order reversed? Why wasn't it *reachout*?" (Beats me, chancellor; a related formulation, *takeout*, means food "to be consumed off premises," while the reverse, *outtake*, means "tape not used in a broadcast." No similar split took place with *reachout*.)

Politics — the business of involving voters in a party's cause — seized on the word. In their need to reach out and put the touch on someone, politicians have adopted and besmirched a word coined in its compassionate sense by the poet John Greenleaf Whittier in 1870: "No proof beyond this yearning./This *out-reach* of our hearts, we need."

Or as the vice chairman of finance, Andrea del Sarto, never used to say: Man's *outreach* should exceed his outgrasp, or what's a fund-raiser for?

□

At those hearings examining campaign finance scandals, a title was introduced not often heard in Congress. Three Buddhist nuns, explaining under immunity from prosecution how they altered and destroyed incriminating checks and documents, were respectfully addressed by their title *Venerable*.

What a nice word. Rooted in the Latin *venerari*, "to worship," and even more deeply in *venus*, "love," *venerable* is a title that is a degree more reverent than Reverend. In the Anglican Church, it is used for an archdeacon; in the Catholic Church, it is a title for a dead person who may be beatified on the way to sainthood, and in Buddhism, it is used by nuns, roughly equivalent to the title Sister.

As an adjective, *venerable* means "worthy of respect because of age and dignity." Its most famous use is titular, however; the Venerable Bede was a Benedictine monk and scholar who lived in seventh-century England. He was sainted in 1899, and is venerated by historians today because the widely read theologian was the first to scrupulously cite his sources.

□

Who was the father of *paparazzi*?

The 1960 movie "La Dolce Vita" was a drama directed by Federico Fellini illuminating the decadence, alcoholism, sex-satiation and other non-family values prevalent among a swinging set in postwar Italy. Marcello Mastroianni played a predatory gossip columnist and Walter Santesso a sidewalk photographer called "Signore Paparazzo."

An Economist magazine etymologist found that a Fellini writer, Neoenio Flaiano, took the name from a 19th-century hotelier in Catanzaro, Coriolano Paparazzo, mentioned in "By the Ionian Sea," by George Gissing. But it was Fellini's character who gave birth to an eponym, a word derived from the name of an individual.

The most famous eponymous characters are Amelia Bloomer, a suffragist who wore Turkish-style pants, Captain Charles Boycott, the shunned British land agent in Ireland, and Samuel Maverick, the Texas rancher who didn't brand his cattle; less well known are Thomas Bowler and John Batterson Stetson, the hatmakers; Johannes Geiger, the counterman; Rudolf Diesel, the internal combuster, and King Mausolus of Caria, whose tomb was one of the seven wonders of the ancient world.

New York Times Service

INTERNATIONAL



Gerard Julien/Agence France-Presse

BLOWIN' IN THE WIND — Bob Dylan singing in Bologna on Saturday for a crowd put at 350,000, including Pope John Paul II, in background. The concert was part of the church's outreach to youth.

Real Work On Ulster Starts Now

By James F. Clarity
New York Times Service

DUBLIN — After 75 years of sporadic sectarian violence between Northern Ireland's Protestant majority and its Roman Catholic minority, political leaders from both sides will face each other in formal negotiations for the first time Monday.

The delegates entered the same room last week, a historic and histrionic event, and engaged in politically motivated squabbles over procedure. But the real work on substantive issues begins Monday in the drab Castle Buildings office in the Stormont area of Belfast, Northern Ireland's capital. Progress is not expected to be swift.

The last obstacles to the opening of the peace talks were overcome in the last two weeks. Sinn Fein, the political wing of the predominantly Catholic Irish Republican Army, was admitted to the talks on the basis of its pledge of nonviolence after the IRA called a cease-fire in July.

The predominantly Protestant Ulster Unionist Party, the largest political group in the North, also entered the talks after failing in a last-ditch attempt to have Sinn Fein expelled. Eight other parties and the Irish and British governments also plan to take part. The goal is an agreement, by next May, to put a permanent end to the violence that has killed 3,225 people since 1969.

"We are leaving behind us the bitterness of history," Ray Burke, the Irish foreign minister, said last week.

The negotiations are likely to come under strain on matters that have been pushed aside by disputes over disarmament of the IRA and Protestant paramilitary groups.

When the talks began in June 1996, they slid immediately into a dispute over disarmament. Now that issue has been pigeonholed, at least temporarily, by a resolution approved Wednesday night. This opens the way for the discussion of other basic disagreements. Among these are Sinn Fein's objective of creating a united Ireland, free of British control, run by the Irish Republic.

While Gerry Adams, the Sinn Fein president, will argue for a united Ireland and British withdrawal from the North, he will have to settle for closer administrative links between Dublin and Belfast.

The official policy of Ireland and Britain, affirmed in three formal documents and repeated by the prime ministers of both countries in recent weeks, is that there will be no change in the status of the British province without the consent of the majority, which is likely to remain Protestant well into the new century.

Most specialists agree that Mr. Adams will have to be given some concessions on the issue, some indication that eventually Britain will consider withdrawing its troops and relinquishing power. Otherwise he will be vulnerable to attacks by IRA hard-liners, who already fear that he will not defend the traditional Republican objective of unification.

The other issues before the negotiators include proposals for a provincial legislature to replace direct British rule from London, which has administered the province since 1974. Any agreement would require the approval of the two Parliaments and referendums in Ulster and the Irish Republic.

BOOKS

KING SUCKERMAN

By George P. Pelecanos. 264 pages. $22.95. Little, Brown.

Reviewed by Nelson George

MIDWAY through George P. Pelecanos's "King Suckerman," three decidedly goofy and sadly star-crossed teenagers are cruising down a D.C. street in 1976 arguing over rock music. References to "Led Zeppelin III," "Houses of the Holy," Uriah Heep and Mahogany Rush fill the car. Then there is this choice morsel of drugged-out conversation:

"'I am telling you, man,' said Jerry, raising his voice over the music. 'Frank Marino was in this car crash, dude. He never sang or played guitar or nothin' before. But after the crash he woke up out of his coma and just started playin'. They say the spirit of Hendrix entered his body.'"

If you are unfamiliar with Marino (a '70s guitar god), his catalogue of ear-splitting solos or the myth of Jimi Hendrix's spirit entering his body, you will probably not squeeze much pleasure out of this film-noir novel. On one level it is a brutal, blood-spattered bit of graphically told but not inventively structured pulp fiction.

However, if you have any affection for the nitty-gritty of pop culture from 20-plus years ago, then "King Suckerman" is a genuine smile inducer.

Pelecanos, the author of five previous novels, has enmeshed himself in the nuances of the leisure-suit era. With knowing references to the rock band Little Feat, Peter Lawford and Sammy Davis Jr. movies ("Salt and Pepper," "One More Time"), "Marcus Welby, M.D." and whether Hendrix's "Band of Gypsies" should be stocked as rock or funk, the author does a beautiful job of lacing the book with an almost giddy trail of references. Even Dennis Miller would be impressed.

The book's title comes from a fictional blaxploitation flick about a dominating black pimp whom almost everyone in the novel either has seen or wants to see very badly. It's a wonderful conceit, one I wish played a larger role in the narrative.

For while the subtext of "King Suckerman" is a grand celebration of mid-1970s pop, the story is full of a distinctively '90s cruelty. A brutal black ex-con named Wilton Cooper is headed to D.C. to execute a drug deal. Along the way he picks up an equally homicidal white gunslinger, Bobby Roy Claggett, and two other hoodlums. They leave a trail of death and dismemberment.

The nominal heroes of "King Suckerman" — Marcus Clay, owner of a cool little record store, and his basketball buddy Dimitri Karras, a small-time drug dealer — cross paths with Cooper and, through bad judgment, become his prey. As the Bicentennial celebration builds, bullets fly and buckets of blood flow from wounds of the bad and good alike.

Pelecanos's prose is taut and involving. This is a damn good book. But I wish the playfulness of his cultural references had spilled over into his storytelling. The shifts between the two suggest that a better, less grim tale remains just a few steps from where "King Suckerman" finally lands.

Nelson George, author of several books and consulting producer of "The Chris Rock Show" on HBO television, wrote this for The Washington Post.

Striving for Euro, Prodi Adopts 1998 Deficit Cuts

Reuters

ROME — Prime Minister Romano Prodi's cabinet approved the 1998 budget on Sunday, which should ensure Italian membership in the single European currency but could stir fierce dissent within the center-left coalition.

A government spokesman said the cabinet approved the deficit-cutting package after a nine-hour session.

The budget aims to cut 25 trillion lire ($14.6 billion) from next year's public-sector deficit and includes controversial cuts in welfare spending and increases in value-added taxes.

Mr. Prodi's far-left parliamentary ally, the Refounded Communist Party, has repeatedly threatened to withdraw its support for the government if the budget includes pension cuts.

Government officials said the treasury was looking for about 5 trillion lire in savings next year from its social expenditure bill.

Although they did not specify the breakdown of the cuts, pending the conclusion of long-standing negotiations with trade union leaders, government sources indicated that up to 4.5 trillion lire in savings might come from pensions.

This prospect has put the Refounded Communists, who safeguard Mr. Prodi's majority in the lower house, on a war footing. "Unfortunately there will be a government crisis," the party's economic spokesman, Nerio Nesi, said Saturday.

Mr. Prodi has sought to lessen hostility to the welfare cuts by including some 5 trillion lire for incentive schemes designed to increase employment and development in the south, the poorest part of Italy.

Labor Minister Tiziano Treu said the budget would help revitalize the south's sluggish economy and he urged the Refounded Communists not to withdraw support for the coalition — which could lead to early elections.

"We're going to stick to our guns. If they bring down the government then it will mark the end of our march to Europe," Mr. Treu said during a visit to Sicily.

To be enacted, the bill has to be approved by both houses of Parliament before the end of 1997.

Italian governments in recent years have embarked on a dramatic fight against the state deficit to prepare the economy for the adoption of the single currency, the euro; scheduled for Jan. 1, 1999.

BRIDGE

Alan Truscott

ENGLAND has long had a virtual monopoly on the production of bridge books in which excellent bridge hands are spiced with wit and humor. S. J. Simon began the tradition half a century ago, and was succeeded by Victor Mollo. Now we are fortunate to have David Bird. His latest effort, in collaboration with Simon Cocheme, is "Bridge With A Feminine Touch," available from the Bridge World, 39 West 94th Street, New York, N.Y. 10036, for $15.95 including mailing.

The book recounts the entertaining adventures of Debbie, a young Englishwoman who ventures into a local bridge club and progresses to international class. En route she meets some interesting men, mostly predatory, and forms a partnership with an equally lively woman her own age. The climax arrives when they play for a British team against the Polish women's team. Debbie picks up the powerful South hand shown in the diagram and progresses slowly to seven spades. Her five no-trump bid asks her partner to show a specific king, and six diamonds is exactly what she hopes to hear.

West leads the heart king and, with the match in the balance, Debbie thinks furiously. She sees that her task is easy with a normal 2-1 trump split or a normal 4-3 diamond split. In either case, she would be able to discard dummy's club losers eventually on diamonds and ruff her diamond loser.

She looks for a way to succeed if both suits break badly, and finds it in a dummy reversal. Her plan is to ruff hearts in her hand at every opportunity, and she starts by ruffing the first trick with the trump ace. Then she uses dummy's entries, two in trumps and one in diamonds, to ruff three more hearts. Then she ruffs a diamond, draws the remaining trump and claims the grand slam. The club ace is the entry to cash three diamond winners at the finish.

The match is won, her teammates are delighted with her decisive grand slam effort, and Debbie is in bridge ecstasy.

NORTH
♠ J 9 8 2
♡ 10 8 7 5 2
◇ K
♣ J 10 7

WEST
♠ —
♡ K Q J 9 6
◇ 10 8 6 5 2
♣ K 8 2

EAST
♠ 7 6 4
♡ A 4 3
◇ 9 7
♣ Q 9 6 4 3

SOUTH (D)
♠ A K Q 10 5 3
♡ —
◇ A Q J 4 3
♣ A 5

Both sides were vulnerable. The bidding:

South	West	North	East
2 ♣	2 ♡	Pass	Pass
2 ♠	Pass	3 ♠	Pass
4 ♣	Pass	4 ◇	Pass
4 N.T.	Pass	5 ♣	Pass
5 N.T.	Pass	6 ◇	Pass
7 ♠	Pass	Pass	Pass

West led the heart king.

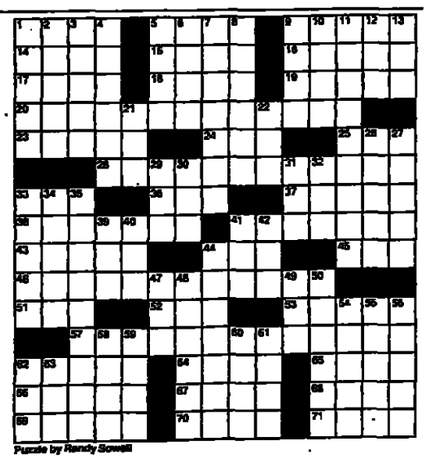
CROSSWORD

ACROSS

1 Response to an insult
5 Tibetan monk
9 Snack chip
14 Prefix with dynamic
15 Pastoral poem
16 "Not you ——!"
17 Expressway access
18 Big bag
19 Saltine brand
20 Attractions near the Nile
23 Doorway
24 Elderly
25 Orthodontist's org.
28 Sights around road repairs
33 "Quiet!"
36 Fishing *equipment*
37 —— Ababa
38 Rural outing
41 Fine gold and enamelware
43 Viper
44 Swiss peak
45 Question's opposite: Abbr.
46 1, 8, 27, 64, etc.
51 That: Sp.
52 It's 21% oxygen
53 Stallone title role
57 Components of some auto engines
62 Screen symbols
64 Grand Dragon's group
65 Barely passing grades
66 "—— and Punishment"
67 Table of contents, e.g.
68 —— spumante (wine)
69 18 on a golf *course*
70 Canyon effect
71 Distribute, with "out"

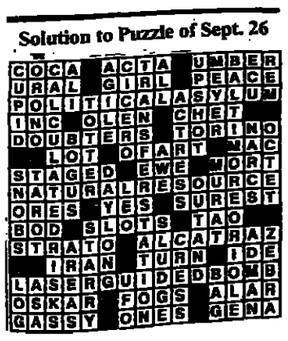
DOWN

1 "Beetle Bailey" character
2 Gain knowledge
3 Medieval helmet
4 Warhol's genre
5 Have trouble with esses
6 "An apple —— ..."
7 Sherlock Holmes's brother
8 Acid neutralizer
9 "Schindler's List" villain
10 Elderly
11 Prophetess of Greek myth
12 Strike
13 "Put —— Happy Face"
21 Scandinavian war god
22 1600, to Cato
26 Condescend
27 Biblical beasts of burden
29 Common conjunction
30 Finder's ——
31 Taxi
32 "—— to the West Wind"
33 Mold
34 Devil's domain
35 Swift watercraft
39 Third man in the ring
40 Anger
41 Winter bug
42 Police alert, for short
44 Kind of paint
47 Convertible or coupe, e.g.
48 Amuse
49 White-tailed eagle
50 Iraq's Hussein
54 Reagan Attorney General Edwin
55 Royals great George
58 Actor Davis
58 "This one's ——"
59 Applies
60 Whip



Puzzle by Randy Sowell

Solution to Puzzle of Sept. 26



© *New York Times/Edited by Will Shortz.*

BRIEFLY

Iraq Lays 1.2 Million Deaths To UN Sanctions on Trade

BAGHDAD — Iraq asserted Sunday that more than 1.2 million people had died as a result of medical shortages during more than seven years of United Nations trade sanctions.

Health Minister Umeed Madhat Mubarak told Arab and Western reporters attending a cultural festival that about 6,500 children under the age of 5 had died in Iraq each month, compared with 506 a month before the 1990-91 Gulf War. Deaths among people over 5 have risen to 8,000 a month from 1,600, he said.

Hospitals lacked medical supplies such as anesthetics, analgesics and spare parts for medical equipment and can operate at only 30 percent of capacity.

The sanctions, imposed after Iraq's 1990 invasion of Kuwait, do not prohibit medical imports, but with oil exports blocked the government lacks the money to pay for them. *(Reuters)*

Jerusalem's Mayor Is Cleared

JERUSALEM — An Israeli court Sunday cleared Jerusalem's mayor of charges that he gave out false tax receipts to illegal campaign contributors almost 10 years ago.

Israeli Army radio said the Tel Aviv District Court found that the prosecution did not prove Mayor Ehud Olmert was involved in the scheme.

Mr. Olmert has professed his innocence since the opening of the trial in January. He was charged with falsifying documents, aggravated fraud and knowingly giving false statements.

Prosecutors alleged that Mr. Olmert, as Likud party treasurer in 1988, helped set up a fake advertising agency to give false receipts to advertisers and businessmen who donated to the party. *(AP)*

Taleban Offers an Amnesty

ISLAMABAD, Pakistan — The Taleban Islamic militia in Afghanistan offered amnesty Sunday to the defenders of the main northern city of Mazar-i-Sharif, which it says it has had under siege for several days.

"If the opponents lay down arms voluntarily, their heads and property will be safe and the fate of those captured in fighting will be decided in court," the Taleban leader Mullah Mohammad Omar, said in a statement quoted by the Pakistan-based Afghan Islamic Press.

The statement, issued from the southern Afghan town of Kandahar, urged opposition fighters to "lay down arms to stop further bloodshed and not to compel the Taleban to more fighting." *(Reuters)*



Herald International Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

An Opening in Algeria

For the first time in years, there is a small but significant opening for peace in Algeria. If successfully exploited, it could eventually bring an end to the horrific violence that has been tearing that country apart since 1992 and has so far cost 60,000 lives. But this precious opportunity will likely be lost unless France, which provides Algeria's military-backed government with diplomatic support in Europe and $1 billion a year in subsidized loans, uses its leverage to insist on a serious government effort to negotiate a compromise peace.

The opportunity comes with the announcement that the armed wing of Algeria's main Muslim political party, the Islamic Salvation Front, will halt all terrorist attacks as of Tuesday. That will not bring an immediate end to the violence, since armed backers of the Salvation Front are responsible for only a small share of terrorist incidents.

But it is significant because it was the Algerian army's intervention to prevent a Front victory in parliamentary elections five years ago that ignited the conflict. A compromise solution returning the Front to peaceful political life would deprive Algeria's main terrorist organization, the Armed Islamic Group, of its most potent cause.

Significantly, the Salvation Front's cease-fire announcement was broadcast on government television and radio stations and favorably commented on in the pro-government press. Usually, these outlets give only negative coverage of the Front. But the cease-fire is a direct result of the government's decision in July to release Abassi Madani, a Front leader and relative moderate, from prison. That conciliatory gesture — and negotiations that preceded and followed it — was the work of the Algerian government's more conciliatory wing, which understands that force alone cannot crush Algeria's deeply rooted Islamic movement.

The moderate faction, which includes President Liamine Zeroual, has been repeatedly thwarted by generals determined to block any compromise with Islamic parties. These generals have spurned previous peace proposals and imposed an authoritarian constitution that bans Islamic party candidates from running for office. On the Islamic side, there also are extremists opposed to compromise.

With the cease-fire announcement, and its positive reception by the government, the moderates on both sides have stepped forward — and onto a political limb. That limb will likely be sawed off unless Paris insists the army allow peace negotiations or face an end to French subsidies and support.

—THE NEW YORK TIMES

Smoky Southeast Asia

The thick smoke spreading throughout Southeast Asia apparently claimed 234 additional lives on Friday, when an Indonesian airliner lost its way in the haze and crashed. The smoke, coming from forest fires on the Indonesian island of Sumatra and the Indonesian part of Borneo, now blankets Singapore, Brunei and parts of Malaysia, the Philippines and Thailand.

The fires are accelerated by drought but were set by man. In its headlong rush to cut down its timber and sell it, Asia has saddled itself with the worst deforestation problem of any continent.

Environmentalists have long warned of the consequences. Asian leaders have dismissed the critics as subversives inspired by the West to try to stop Southeast Asia's dazzling economic growth. But while previous fires have not persuaded governments to halt deforestation, Asia's leaders should now realize that growth is fleeting when based on the wanton destruction of natural resources.

The Indonesian government has attributed previous fires to farmers clearing their land for crops. This time, because the fires have been burning for months and satellite data are being made public, the government has been forced to acknowledge that the fires coincide mainly with areas of commercial logging on Borneo and Sumatra.

Indigenous farmers use the same environmentally sound farming methods they have for centuries, rotating between plots of family land. The problem is the logging companies, which often show up unannounced, cut the trees, burn the stumps and set up plantations of oil palms or eucalyptus and acacia trees for paper and pulp — usually all without compensating the farmers.

To compound the tragedy, the precious tropical hardwood is then turned into virtual garbage. Most of it is milled into plywood and particle board, largely used in Japanese construction sites as a disposable mold for concrete. About 10 percent of Indonesia's plywood comes to North America, where it is used in construction and cheap shelving.

The export of logs is illegal in Indonesia, so they are milled first. The plywood trade is a cartel controlled by Mohamad (Bob) Hasan, a billionaire who is President Suharto's golf partner. Though the government has vowed to prosecute the companies that set the fires, the record is not promising. Loggers can pay local forestry officials to look the other way, and powerful friends of the Suharto family have remarkably few legal problems.

Indonesia is not alone. Deforestation is more pronounced on the Malaysian part of Borneo, and is widespread in Cambodia, Thailand and other countries. In Indonesia, however, the devastation of commercial logging is compounded by the government's policy of subsidizing migration, which until 1986 was supported by the World Bank. Farmers from the crowded island of Java are encouraged to move to the forests of Borneo and Sumatra. Unfortunately, they bring their old techniques, which do not work outside Java's rich volcanic soil and are eating up the forest.

Some good can come of these tragic fires if they persuade Southeast Asia and the nations that import their products to take forest protection seriously. The United States should begin by banning plywood made of tropical hardwood, or requiring country-of-origin labeling on wood products so consumers can refuse to buy them. Japan also needs to rethink its import policies. In the end, however, Southeast Asia's environmental practices will not greatly improve until corruption and authoritarianism diminish. There is too much money to be made by powerful people, and too little attention paid to those groups trying to bring sanity to reckless growth.

—THE NEW YORK TIMES.

The Generals Disapprove

The U.S. ambassador in Nigeria the past four years has been Walter Carrington, who by almost all accounts has done an effective job representing the U.S. determination to have the military rulers allow a return to democracy. We say "almost" because there is an exception, the Lagos military government itself. It has been conducting a campaign of political intimidation and personal harassment against Mr. Carrington. This came to a climax recently when police barged into a farewell reception he was being tendered by human rights advocates, threatened to shoot a speaker and shut the meeting down.

That the generals would not be fans of American policy is no surprise, is even a tribute of sorts and proof that the message is getting through. But that the generals would think they can get away with breaking the diplomatic rules in their persecution of a U.S. ambassador is not only insulting but absurd. The United States already has imposed sanctions against Nigeria for a series of other reasons related to its record on annulment of elections, human rights, the safety of its air flights and failings in anti-narcotics cooperation. Cutting further the American contacts of Nigerian officials would seem a minimal response until the security and dignity of the U.S. Embassy can be ensured.

Through it all, Mr. Carrington has kept his faith in the capacity of Nigeria to throw off dictatorship and corruption and to fulfill its promise as not only the most populous state in Africa but potentially one of the most prosperous and responsible. Chido Nwangwu, the Houston-based Nigerian publisher of the on-line USAfrica newspaper, believes the U.S. interest in democratization has been overshadowed by a concern for U.S. investments, African-American heritage and "the strategic value of oil-rich Nigeria in the geometry of international economic relations." But you couldn't prove that from the way Mr. Carrington has done his job.

—THE WASHINGTON POST.

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Reassess Russian Priority in Light of Iran Ties

By William Safire

WASHINGTON — In the '80s, Israel's Mossad warned of nuclear weaponry being developed secretly by Saddam Hussein. The CIA disagreed; "not for 10 years" was its complacent judgment, which warped Bush administration policy. Now everyone admits that Mossad had it right.

One year ago, Israel shared with the U.S. Defense Intelligence Agency Mossad's evidence and conclusions about a new proliferation threat from a supporter of terrorism. We already knew that Iran was developing nuclear, biological and chemical weapons. What we did not know was this: "Massive Russian assistance and close cooperation with Iran are enabling the Iranian regime to develop independent capabilities to produce medium-range ballistic missile systems within a very short time."

Every nation in the Near East uses a simple test to determine Iran's military intentions: the range of the missiles it seeks to build. As long as that range stayed short of 700 miles (1,130 kilometers), Saudis, Turks and Israelis did not become unduly alarmed. But technical and humint sources revealed Shahab-3 and -4, missiles ranging up to 1,240 miles and threatening many capitals (not to mention 20,000 U.S. military personnel in the vicinity). Thus did Iran signal aggressive intentions.

Early this year, mindful of past complacency, the DIA confirmed Mossad's information. It did not dispute the prediction that midrange missiles were within 18 months to two years of production inside Iran. And it agreed that in many ways, Russians under loose Moscow control were making the new threat possible.

Boris Yeltsin, at the June G-8 meeting in Denver, denied all.

Because President Bill Clinton did not want to use space aid or IMF support for coercion, he could only warn that Congress would cut back aid if Moscow persisted in its Tehran adventure.

Israel then went public. Bill Gertz of The Washington Times wrote an exclusive series this month detailing some of Mossad's findings corroborated by U.S. intelligence. Congress is now awake to Russia's breach of its arms proliferation agreement, despite the State Department's admonition to Israel not to take its case there.

In Moscow last week, Vice President Al Gore had to publicly remind Prime Minister Viktor Chernomyrdin about Iran's "vigorous" nuclear missile buildup. Privately the Russians reminded the Americans that they had fired Alexander Kotelkin last month as head of the nation's arms export agency, Rosvooruzhenie, identified by Western agencies as riddled with corruption in the transfer of missile technology.

Mr. Gore thinks the threat is being countered by an investigating team headed by the U.S. diplomat Frank Wisner and Russia's space agency head, Yuri Koptev. The trouble is that Mr. Koptev — whose control over Russia's space technology is symbolized by the condition of the Mir space station — is suspected of being part of the problem. Russian scientists are desperate for money, which Iran offers under the table. The trick for Mr. Koptev would be to keep America's financial support while turning a blind eye to the money seeping up from Tehran.

In addition to the secret missile help, hundreds of Russian scientists are openly in Iran building its Bushehr "civilian" reactor. But Iran sits on a sea of cheap oil energy; its only reason for a nuclear reactor is to produce plutonium isotopes for bombs.

Mr. Chernomyrdin would not budge on his "commitment" to a nuclear Iran, and as a sop to Congress offered to let America see the new plant; the rebuffed Gore replied dryly that "joint monitoring is the least of our concerns."

Set aside differences about West Bank dealings that dominate the headlines. We see developing a fundamental split in the strategic views of Israel and the Clinton administration over matters affecting national survival.

Israel's Benjamin Netanyahu views Iran, with its inflammatory rhetoric now backed up with its cool decision to build missiles with warheads that could incinerate Tel Aviv, as Israel's gravest threat. President Clinton views the U.S. relationship with Russia, with its nuclear capacity and internal instability and democratic potential, as America's top priority; accordingly, he tolerates Russia's open and secret support of Iran's bid for nuclear missile coverage of Israel, Egypt, Saudi Arabia and Turkey.

America sometimes must act unilaterally and trust that its allies will understand. Same with Israel. Before Iran's invitation to preempt grows more blatant, Mr. Gore should sit down with President Clinton to reassess his Russian priority.

The New York Times.

Only India Can Rescue Itself From Its Own Foolish Behavior

By Gerald Segal

NEW DELHI — India is at risk of being its own worst enemy. Just at the moment when many East Asian economies are faltering and India has the opportunity to tout its availability as the new giant tiger economy, New Delhi is doing its best to damage its new reformist reputation. Higher import taxes to pay for higher salaries for 5.3 million inefficient government workers is only the latest amber light on the road to reform.

Indian officials and intellectuals — as articulate and intelligent a cohort as you will find anywhere in the developing world — say the problem is that the outside world does not take India seriously and support its reforms. But the reality is that until India takes itself seriously and engages in far more sustained reform, the outside world will feel free to ignore the world's second most populous country (and sixth largest economy).

Indians often produce a democratic alibi for their nation's stuttering reforms. But new public opinion poll data, presented by the political scientist Yogendra Yadav to an International Institute for Strategic Studies conference, demonstrate that there is no constraint on reforms from the public. In this, the world's largest democracy, the problem is with narrow-minded bureaucrats, elite factionalism and the lack of bold leadership. If Indian reforms are to succeed, they will have to take place in something like an Italian form, where governments can change every year and where the political traditions will always be more raucous than in authoritarian China.

The real problem with the Indian reforms lies with the basic compromise agreed on at their inception in 1991. As the Indian economist Swaminathan Aiyar argues, India began to liberalize its economy and open up to the outside world because of imminent bankruptcy, not because of an ideological commitment to liberalization. In what passed for an economic strategy, reforms would be matched by increased subsidies.

The result was a central government unable to afford the investment in infrastructure, health and education that is so crucial to the success of reforms in East Asian economies. Although India has demonstrated that it can grow faster than the 4 to 5 percent so-called Hindu rate of growth, it cannot climb above 6 to 7 percent until the government can afford more productive investment in the underpinnings of growth.

India's success in attracting Western investment is far better than conventional wisdom suggests. Remember that 85 percent of investment in China comes from ethnic Chinese and that India does better than China in attracting Western portfolio investment. In terms of enticing Western investment, India is ahead of where China was six years into its reform, in 1986. Indian savings rates are rising and investment is becoming more efficient. The ratio of exports to GDP is also increasing. But Indians, unlike Chinese, still do not accept that "it is glorious to be rich." Their capacity for self-denigration is matched by China's capacity for self-aggrandizement.

One positive feature of the stammering growth and weak central government is that the states, particularly on the coast, are freer to experiment and welcome foreign investment. Orissa and Andhra Pradesh are pioneering privatization (called "disinvestment" in India) in the power sector. Maharashtra invited P&O to set up a billion-dollar port, thereby undermining conservative workers and officials at the federal level.

As a result of these successful reforms, the state governments from various parties become stakeholders in reforms and carry their new zeal to the federal level, thereby entrenching the reformist coalition. But so long as central government subsidies (defined as the unrecovered cost of services provided by the state) remain at 15 percent of GDP (as high as in 1987-88) and tax revenue remains around 16 percent of GDP, virtually the entire tax revenue is wasted on subsidies.

No foreigner is going to save India from its own foolishness. The problem, as in the case of Russia, is in part an incomplete sense of the failure of the old system. India, like Russia, perhaps never fell far or hard enough to know, like China, that it has no choice but to pick itself up by its own bootstraps. No one owes it a living.

Perhaps the best thing for India would be another bout of bankruptcy, if only to demonstrate to complacent politicians and bureaucrats that they have to do much more. Their democracy, rule of law, federalism and use of the English language are all necessary but far from sufficient conditions for international economic success. Time is short. East Asia's woes provide India with a window of opportunity, as international investors seek new opportunities. The Indian stock market is up 18 percent this year, compared to falls of 20 to 40 percent in Southeast Asia.

There is also a new willingness in the United States to take India seriously. The Americans seem prepared to put squabbles over nuclear weapons to one side and to encourage India to turn its back, at least for the time being, on Kashmir, Pakistan and South Asia in general. There is a recognition that only when India is richer and more confident because of successful economic reform will it be able to be magnanimous and creative in its home region.

The writer is director of studies at the International Institute for Strategic Studies and director of Britain's Pacific Asia Program. He contributed this comment to the Herald Tribune.

Dividing Up the World: A New Approach to Global Warming

By Eugene Linden

NEW YORK — If global warming were a Communist plot, there would be a treaty to combat the peril by now. Instead, only two months before representatives from industrial and developing nations are to meet in Kyoto, Japan, to agree on steps to counter the threat of climate change, it is becoming ever more clear that five years of negotiations have produced little that is meaningful.

In a last-ditch attempt to develop a U.S. consensus on action, President Bill Clinton plans to hold a White House conference on Oct. 6. Given the prospects for the Kyoto treaty, it is time to consider creative alternatives for reducing the so-called greenhouse gases — byproducts of combustion — that are linked to climate change.

A solution outside the framework of the negotiations for the Kyoto agreement may be the only way to resolve the impasse between economically advanced nations and those that are trying to catch up.

The industrial nations that account for most emissions cannot agree among themselves on a way to address global warming. They are reluctant to commit to freezing or reducing emissions, mainly because of concern about the possible economic costs of such actions. Meanwhile, countries with emerging economies worry that curbs on emissions will imperil economic development.

Yet nobody wants to admit total failure, particularly since with every passing year, new information emerges about climate changes, underlining the risks of human tampering with the atmosphere. The latest surprise is new evidence that climate changes may not be gradual, but more rapid and extreme.

The reason for such flips isn't clear, but most scientists recognize that the more carbon dioxide dumped into the atmosphere, the more likely it is that the climate will change.

What to do? Earlier this year, a delegation from the European Union may have inadvertently offered the kernel of a solution. The delegates proposed that nations commit to a 15 percent reduction from 1990 levels of greenhouse gases by 2010.

It was a cynical suggestion because the Europeans knew the United States would never accept those terms. It was also hypocritical because Europe has an easy way of achieving greenhouse reductions: inviting the former Communist states into the EU. As they modernize their antiquated, coal-fired industries, Eastern European nations like Poland and Hungary will be making significant reductions in the emissions that cause global warming. By bringing these nations into the EU, the economically mature countries of Europe could more than offset their own increases in greenhouse gas emissions.

But the idea of linking industrial and emerging economies offers a way out of the impasse that has paralyzed the talks on global warming.

Why not divide the world into three giant regions and hold each to an agreed-upon target for reducing greenhouse gases that the regions could achieve any way they wanted?

North and South America could be one region, the slice of the globe from Northern Europe (including Russia) through Africa could be another, and Asia and Oceania could make up the third. With industrial powers and emerging economies in each region, countries could trade emission rights and share new technologies.

This plan could also help solve a knotty political problem. By shifting responsibility for reducing greenhouse gases from individual nations to a larger unit, no country would need to fear being placed at an economic disadvantage by a climate treaty. The goals for each region should be different since the biggest reductions in greenhouse gases will come in the modernizing economies of the former Communist states, while developing nations, especially in Asia and Latin America, will have more difficulty limiting emissions.

Rewards for success and penalties for failure could be based on regional tariffs. That's a tricky concept in an era of free trade, but no one has proposed a better enforcement alternative for the treaty being negotiated now. After years of talk about a solution, the problem of global warming looms ever more ominously. It's time for a new approach.

The writer is the author of "Silent Partners" and the forthcoming "The Future in Plain Sight." He contributed this comment to The New York Times.

More 'Dear Jack' Letters Found!

By Maureen Dowd

WASHINGTON — Peter Jennings and Seymour Hersh have ears full of cider.

They did not follow the Sky Masterson rule: "One of these days ... a guy is going to offer to bet you that he can make the jack of spades jump out of this brand-new deck of cards and squirt cider in your ear. But, son, do not accept this bet, because as sure as you stand there, you're going to wind up with an ear full of cider."

Mr. Jennings and Mr. Hersh fell for some hokum about newly discovered documents, including one "agreement" showing that Jack Kennedy tried to keep Marilyn Monroe quiet about their rumored affair by promising to give her mother a $600,000 trust fund. How on earth did these two geniuses believe for a second that he would put something like that on paper?

It would seem Mr. Jennings and Mr. Hersh, who were working on a documentary based on Mr. Hersh's upcoming book, "The Dark Side of Camelot," could have figured out many millions ago that the typewriter used to type the 1960 Monroe "contract" was a model made after 1970. And that a letter dated 1961 had a ZIP code, although ZIP codes weren't announced until 1962.

The poor schnooks. Why didn't they call me? I live in a house John Kennedy lived in from 1951 until he was elected to the Senate in 1952. Only the other day I was poking under some floorboards and found an old shoebox filled with "Dear Jack" letters! Here is some of what I read:

Dear President Kennedy:

I wanted to thank you for sending me that picture of us shaking hands at the Boys' Nation event. I'm sorry if my hand was a little moist. Call me a blue goose, but I have a feeling that someday I might need to document this moment with the greatest possible clarity. So I'm just wondering if you could have the White House photographers look through their negatives and see if there's another shot of our handshake where you look a whole lot more interested in what I'm saying?

Really, really sincerely,
Billy Clinton

Dear Jack:

Thank you for that note about how your father did, in fact, buy you the election. My therapist says that will help a great deal with my wounded-ness, my battle to be heard and loved and my struggle to get closure on my obsession with you. My therapist says I have a right to be happy.

Best wishes,
Dick Nixon

Dear Mr. President,

Call off Giancana. My beard isn't falling out, but my cigars are exploding. You can reach me at www.commie.com.

Fidel

Dear Mr. President:

Maybe serving in Vietnam is making me paranoid, but I think a lot of people are out to get you. Watch out for Nixon, LBJ, Goldwater, the CIA, the FBI, the Mafia, shady Cubans, New Orleans homosexuals, the Cigarette Man, the military-industrial complex and the cruel media. Those guys play rough.

The truth is out there,
Oliver Stone

Dear Jack:

I wonder if you could put in a good word for me with Jackie. I'm just dying to borrow that slinky fuchsia Oleg Cassini she was wearing the other night. Also, you forgot to return the King file.

J. Edgar Hoover

The New York Times

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Spanish Allies

BERLIN — It is said that the Emperor William and the Emperor Francis Joseph, in their recent interview in Hungary, came to an agreement to energetically oppose the intervention of the United States in Cuban affairs. It will be remembered that Austria had decided, on account of the Queen Regent of Spain, who is an Austrian archduchess, to espouse the cause of Spain if a conflict should break out between that country and the United States.

1922: Greek General

PARIS — Greece is ready for a Republican form of Government, according to General Paraskeropoulos, former generalissimo of the Greek armies under M. Venizelos, when the latter was last Premier. General Paraskeropoulos resigned from the army at the time M. Venizelos resigned his post, following the plebiscite that resulted in the recall of King Constantine. "If the people unanimously ask for the return of M. Venizelos, I am certain he will return, as I shall also do," he said. "What we need in Greece is a Republic like the one you have in America."

1947: 'Quit Palestine'

LONDON — Winston Churchill, in a political attack in his familiar manner on "incompetence, arrogance, malice, squalor, interference in daily life and class jealousy," called on the Labor government "to quit Palestine as quickly as possible." In the last two years, the government has wasted 100 or 150 million pounds and the services of 100,000 of "our finest troops in Palestine," he continued. "They have gained us nothing but ill-will there and in every quarter of the world."

INTERNATIONAL

Top Testing Firm Is Tainted by Cheating Scandals, Critics Say

By Douglas Frantz and Jon Nordheimer
New York Times Service

NEW YORK — Richard Weston was skeptical. The man on the telephone said he was a Louisiana teacher and had a stolen copy of the standardized test that Mr. Weston's company, Educational Testing Service, administers to teachers who want to be school principals.

But as the caller read off question after question, Mr. Weston's skepticism turned to alarm.

Mr. Weston, a security manager for the world's largest and most influential testing organization, said a security team from the service would come to see the teacher as soon as possible.

Three days later, Mr. Weston and two other senior managers of the testing service were in Louisiana confronting a situation that was even worse than they had thought.

Copies of the test's 145 multiple-choice questions, along with correct answers, had circulated among teachers throughout southern Louisiana, probably for years. In a state near the bottom of almost every educational ranking, teachers had cheated their way into running public schools.

But when Educational Testing Service faced this situation last fall, in what could have been one of the worst public scandals of its history, the service decided to keep it quiet.

State and local education officials said they were refused information on the extent of the cheating. Instead of publicly disclosing the possibility that unqualified cheaters were running schools in southern Louisiana, the testing service quietly told at least 200 teachers who had passed the exam that they had to take the test again to "confirm" their earlier scores.

Rather than an isolated incident, the situation that the service found in Louisiana and how it reacted to it fits a pattern uncovered in a four-month examination by The New York Times of the huge nonprofit company that runs most educational testing in the United States, from the college-entrance exams to tests for licenses for 34 professions.

In numerous instances across the country, Educational Testing Service has confronted case after case of cheating but withheld information from the public and failed to take aggressive steps to ensure the integrity of its tests, according to internal documents and interviews with current and former officials there.

The questions about Educational Testing Service come at a time when Americans seem obsessed with testing.

President Bill Clinton is pushing national testing for millions of students, competition is increasing for admission to the best universities and a growing number of people must pass a test to get a job or win a promotion.

The ease with which teachers acquired tests in Louisiana illustrate how difficult it is, even for such a dominant company, to police cheating in this golden age of testing.

While the organization professes zero tolerance when it comes to suspected cheating, its critics, including officials who once worked for the service, say the company is all too eager to sweep its dirt under the rug to protect its lion's share of the testing business instead of spending money to tighten security.

"The tendency has been to lean over backwards to keep matters pertaining to test security sort of under wraps," said Winton Manning, a former senior vice president who retired in 1995 after more than 25 years at Educational Testing Service.

Senior officials at the service defended their handling of cheating incidents and said they had been as forthcoming as possible, given the constraints of privacy and test integrity involved. In the Louisiana case, they said that they provided state officials with as much information as they could, but acknowledged that they were unable to answer their most pressing questions.

While the company's administration of the widely used college-entrance exams has not been marred by major cheating episodes, its handling of the federal government's test for immigrants who want to become citizens has been riddled with fraud and abuse, according to documents and interviews.

People who cannot speak English have appeared at offices of the Immigration and Naturalization Service across the country with certificates saying they had passed English tests give by affiliates of the service, raising the possibility that independent contractors hired as test supervisors may have taken bribes.

The company's push into the new world of computerized testing also has suffered a serious security lapse. In 1993, its new computerized test for graduate-school admission was found to be vulnerable to one of the oldest cheating techniques: People who had taken the test were able to remember enough questions to reconstruct almost the entire examination.

Internal records of the testing service show that in the rush to gain an early foothold in the field of computerized testing, company executives ignored warnings from their own experts about the risk of using a single set of questions, and later misled New York legislators by saying the service was using multiple sets of questions.

Cheating problems have also plagued the tests for graduate school and for English proficiency that were administered by Educational Testing Service.

Three years ago, in its biggest security breach, the company canceled the scores of 30,000 students in China on entry tests for graduate schools, after the discovery of a ring that was selling the examinations. And last month, federal prosecutors in New York unsealed documents describing a nationwide cheating operation in which hundreds of students paid as much as $9,000 for answers to graduate-school and English-proficiency tests.

Talking Tough on Crime, Kohl Launches Campaign

Chancellor to Seek Unprecedented 5th Term

By Alan Cowell
New York Times Service

BONN — Chancellor Helmut Kohl sought Sunday to define the agenda for national elections in one year in terms of promises to fight crime and to lower taxes, using both issues to campaign for an unparalleled fifth term of office.

Mr. Kohl, who has been in office for an uninterrupted 15 years, already ranks as Europe's longest-serving political leader and as the most durable German chancellor this century.

But he has served notice that he feels obliged to seek another term to guide the reunified Germany into a new millennium in a united Europe.

In published interviews and public speeches Sunday, Mr. Kohl said Germany's mounting preoccupation with crime "belongs to the top one or two issues" during the elections, which are already mesmerizing the country's political elite.

He also urged his party, the Christian Democrats, to "go from door to door and from village to village" and blame the opposition Social Democrats for the collapse last Friday of tax-reform negotiations that Mr. Kohl considered the key to reducing his country's record joblessness, which stands at more than 4.4. million people.

Mr. Kohl seemed to be signaling the start of an election campaign fought on the narrower issues of jobs and crime rather than on the big themes — such as European integration and German reunification.

Crime is a delicate issue because many Germans blame an influx of foreigners from Eastern Europe and developing countries for a recent increase in offenses, particularly drug-related ones. Thus, to satisfy voters in an election period, the Bonn government is almost certain to want to clamp down on illegal immigration from outside the European Union, without encouraging right-wing xenophobia.

On Sunday, government officials confirmed newspaper reports that the authorities were discussing ways to limit the number of foreign workers with legal status in Germany.



Ian Waldie/Reuters

Prime Minister Blair and his wife attending church in Brighton, site of the party conference.

LABOUR: *Unions Are the Past*

Continued from Page 1

On Sept. 9 Mr. Blair became the first Labour prime minister in two decades to address the Trades Union Congress at its annual convention in Brighton, and he upbraided his listeners with a warning that they "modernize" — Mr. Blair's favorite verb these days — or expire. He told his aging audience that today's British economy is one that sells more rock music than steel abroad, employs more people in design than in automobile construction at home.

The unions' role, he said, was to work in partnership with employers and business to win "the crusade for competitiveness." Recalling Labour's past, he said, "We will not go back to the days of industrial warfare, strikes without ballots, mass and flying pickets, secondary action and all the rest of it."

And in a conclusion that sounded like an opening day admonition to a freshman class, he told them, "I will watch very carefully to see how the culture of modern trade unionism develops."

His listeners, a more grizzled group than the men and women who will occupy the delegates' seats at the four-day annual conference opening Monday in the same English Channel resort, had a compliant reaction. John Monks, the general secretary of the Trades Union Congress, acknowledged unprotestingly that Mr. Blair had delivered "some hard messages."

The union movement, which contributed 77 percent of the Labour party's budget just a decade ago, will see that figure reduced to about 40 percent this year as the party continues its rapid growth in membership from other sectors of society.

The unions' influence in the party has waned as it has in the country with a decline in union membership from 13 million at the beginning of the Conservative years in 1979 to less than 7 million now. In the coal industry alone, where there were 1.2 million workers in 1978, there are now fewer than 13,000.

The unions would like to see Labour roll back legislation curbing their rights to strike, passed during the years Margaret Thatcher was prime minister.

But all that Mr. Blair has committed himself to are three modest legislative proposals that would secure a national minimum wage, benefits for part-time workers and the right of representation for unions in individual industries where a majority of the employees wants it.

The British coal industry entered terminal decline in the 1980s, victim of an economic move to natural gas and a political shift away from the ideological activism associated with the mining unions.

Its hope for government backing collides with two New Labour priorities — a commitment to reduce carbon emissions by 20 percent from their 1990 level and an industrial policy pledged to follow the lead of the markets, which these days favor coal imports that are cheaper and lower in sulphur and gas, rather than coal, as the fuel for electricity generation plants.

EURO: *New Currents to Propel Currency*

Continued from Page 1

will not be the dominant theme" in the national election, and that "nobody has caught me putting out the line that I'm basically against the new currency."

This constituted a palpable climbdown. It compared with Mr. Schroeder's previous ease in discussing what he called a "reasonable" delay in starting the euro, and his remark in June that "this problem is not only going to dominate the political debate" in Germany "but in France, too." Instead, what had become apparent was that there was very little correlation between voting behavior and those poll results in Germany that showed general reluctance to trade the Deutsche mark for an untried currency. An exit poll reported in Hamburg by the ZDF television network showed that the euro question did not figure among the top five concerns of voters there, jobs and personal security heading the list instead.

Apparent, too, was that nowhere in Europe since the drafting of the Maastricht treaty in 1989 had a candidate won an election because of his rejection of the common currency or lost a vote because of his support of it.

In signaling that he accepted this fact, Mr. Schroeder was, in effect, removing his populist skills from a potential movement to galvanize German discomfort with the euro in an open battle that would destabilize the country. German leaders such as Kurt Biedenkopf, the premier of Saxony, and Edmund Stoiber, the Christian Social Union chief in Bavaria, were expected to continue their opposition to the euro, but Mr. Schroeder's apparent de-emphasizing of the theme brought Germany into a situation somewhat more like that of France.

In France, opposition to the euro has been largely marginalized with Philippe Seguin, now head of the Gaullist Rally for the Republic party, moving almost completely away from his previous anti-European activism, and the field left to the Communist Party and the extreme right.

Mr. Jospin's willingness to abandon what his finance minister, Dominique Strauss-Kahn, had described at the EU summit meeting in Amsterdam in June as a necessary political "counterweight to the European Central Bank" reflected both the prime minister's strong hand and popularity in French domestic politics, and the euro's acceptance in France as a fait accompli.

Mr. Jospin could not have been unaware that his new phrasing was simplifying the task of all of the euro's supporters in Germany, regardless of party. Mr. Kohl had privately considered France's demand for a forum in which it could try to remodel exchange policy over the heads of the European Central Bank an incitement to Germany's euro-skeptics — exemplified by Mr. Schroeder's remark in June that such a panel was "a French attempt to turn the European Bank into a vassal" of politics.

In May, before his election, Mr. Jospin, described the addenda to Maastricht called the Stability Pact — which maintains tight debt, deficit and inflation targets indefinitely beyond the euro's installation — "a concession that the French government absurdly made to the Germans or certain German circles." In June, he put his initials on the pact, and, in the last two weeks, moved to make its enforcement more reassuring to the German voting public.

MIDEAST: *Israel and PLO See Fresh Start to Peace*

Continued from Page 1

including a kindergarten and a television station.

An Israeli cabinet statement said Mr. Netanyahu had decided that talks could resume after meetings that his cabinet secretary, Danny Naveh, had in Washington last week and initial Palestinian steps to battle Muslim militants.

Mr. Kanafani, Mr. Arafat's spokesman, said the Palestinians expected the resumed talks to be complemented by discussions of Israeli settlement policies on land occupied in the 1967 war and further Israeli handovers of West Bank land to Palestinian self-rule.

The Israeli statement stressed, however, that the agreement was to resume talks on the joint committees.

"Other matters, headed by the need to accelerate negotiations on the permanent agreement, will be discussed later," Mr. Netanyahu said. He has said that he prefers accelerated talks on a final peace deal rather than implementation of interim deals calling for further Israeli withdrawals on the West Bank.

The Netanyahu statement said that Israel had decided to release more frozen tax money to the Palestinians because Mr. Arafat's forces had begun "proper steps in the struggle against terrorism."

Israeli spokesmen originally had been warning people not to expect any breakthroughs at the meeting Monday, which was scheduled by Mrs. Albright during her trip to the Middle East this month.

Last week Mr. Netanyahu drew a rebuke from her for saying that he would build hundreds more homes in Efrat and other Jewish settlements in those areas that Israel occupied in the 1967 war.

Mrs. Albright had called for a "time out" in settlements perceived by Palestinians as a provocation. *(Reuters, AFP, AP)*

8-Hour Strike Disrupts Israel

The Associated Press

JERUSALEM — More than half a million Israeli workers returned to work Sunday after an eight-hour strike that closed the international airport, shut down the stock market and halted services and railroads.

A labor court had given the Histadrut Trade Union a permit to strike from 6 A.M. to 2 P.M.

The Histadrut called the strike after overnight negotiations failed to reach a compromise on attempts by the Finance Ministry to retreat on a pension accord.

AFRICANS: *Traditions Erode*

Continued from Page 1

Casper Awuondo, a sociology professor at the University of Nairobi. "That is concrete. Their rural home is abstract."

Kenyans began to pour into urban areas during the 1950s, drawn mainly by jobs and the surge toward independence. Over the next four decades, urban hubs such as the capital, Nairobi, in central Kenya, and Mombasa, on the coast, experienced explosive population growth.

Nairobi became the flagship city of one of sub-Saharan Africa's more stable countries. Roughly 830,000 people lived in Nairobi in 1979; today the population has soared to more than 2 million.

At the same time, population pressures grew in rural areas. Kenyans found they had smaller slices of land to cultivate as the country's population rose by a staggering annual rate of 3.6 percent.

The rapid population growth wore down infrastructure in rural areas, overwhelmed public health facilities, left schools underequipped and teachers underpaid. Those factors, combined with the distance many urban Kenyans must cover to reach their rural homes, have only deepened the disconnection between city dwellers and the countryside.

Some urban dwellers stay away from the countryside because of their children. They fear disease and worry that rural relatives will foist superstitious teachings on their youngsters.

Sometimes the children themselves, spoiled by the relative ease of urban living, cannot abide sleeping in huts, eating unfamiliar food, listening to an unfamiliar language, fetching water, using pit latrines or trudging long distances on foot.

Some urban youths, Mr. Awuondo said, "don't know the difference between a sheep and a goat."

Kenyans who have grown up in Nairobi are often stunned by the tribalism in rural areas, where sometimes one's whole life revolves around tribal identity. In some places one's neighbors, colleagues at work, the business owners and the government administrators are all members of the same tribe.

In Kenya, and throughout Africa, tribes tend to dominate specific regions of the country. That means outsiders are spotted quickly and often viewed suspiciously.

Robert Odongo, 20, said that recently he visited a town outside Nairobi, "and I started talking to people, and I would tell them my name, and they would immediately say, 'You're a Luo.'"

Mr. Odongo actually belongs to two tribes, the Luo and the Kikuyu. His father, a Luo, and his mother, a Kikuyu, married during an era when intertribal unions were rare.

Mr. Odongo's uncles ostracized his father, a senior government engineer, because he had married outside the tribe. In part because of that, Mr. Odongo spent little time in western Kenya, where his father's family is from.

"I didn't get to know any of my cousins," Mr. Odongo said. "If they passed me on that street, I wouldn't know who they were."

Mr. Odongo does not speak his tribal tongue, does not eat Luo food, does not listen to Luo music. Neither does he speak Kikuyu or listen to Kikuyu music. He said he has spent a little more time with his Kikuyu relatives in recent years, but does not consider himself close to any of them.

In school, Mr. Odongo was teased by fellow students who did not believe he was Luo. "They didn't see how I wouldn't know my mother tongue," said the shy, gentle-mannered young man. "People would start talking in Luo, and I would have to stop them and say, 'Sorry, I don't speak Luo.'"

LIBYAN: *CIA Finds Egypt Role in Dissident's Death*

Continued from Page 1

violated sanctions against Libya. The amendment is in a House-Senate conference committee.

U.S. officials have attributed their reluctance to discuss Mr. Kikhia's fate to the extremely sensitive intelligence the case involves. But some acknowledged that sensitivity over criticizing Egypt now is also a factor in the government-wide reticence.

Secretary of State Madeleine Albright favored taking a new, no-holds-barred look at the Kikhia case, and blaming Egypt publicly for failing to cooperate fully if that was justified, when she was first told of the new CIA data in early August.

But as she moved closer to making her first trip to the Middle East on Sept. 9, which included a stopover in Egypt, discussions of making a public statement were dropped, several officials said.

James Rubin, a State Department spokesman, confirmed that the department received "credible information this summer that Mr. Kikhia was murdered by the Libyan government. We informed the family of what we knew." But he denied that there had been any "policy reasons for not discussing the case publicly. The problem was the nature of the information that was developed."

Mr. Rubin declined to comment on other aspects of this article, as did the White House national security adviser, Samuel Berger, and the CIA director, George Tenet.

The Egyptian Embassy also would not comment.

But an authorized statement by a U.S. official confirmed that "information that raised the possibility of the involvement of some individuals within the Egyptian government in the Kikhia disappearance" led the State Department to instruct the U.S. Embassy in Cairo to raise the matter directly with Mr. Mubarak within the past month.

The embassy urged that "any Egyptian officials involved in the crime be held accountable." Mr. Gore reinforced the request in a conversation with Mr. Mubarak last week, a U.S. official said.

President Bill Clinton personally raised the Kikhia kidnapping with Mr. Mubarak in a secret telegram several days after the 1993 abduction occurred. That message, which has now been partially declassified, told Mr. Mubarak: "I am sure we would both want to prevent any harm from coming to Mr. Kikhia."

The Egyptian response then and over the past four years is characterized by some U.S. officials as reluctant and evasive.

"It is hard to fix exactly where Egyptian responsibility lies, whether it is with Mubarak, his secret police or only the two guys who took Kikhia from his hotel," said one U.S. official, who insisted he not be identified. "But the intelligence removes any doubt that there was Egyptian involvement in his abduction."

Egyptian officials have explained their links to Tripoli by arguing that Colonel Gadhafi has abandoned terrorism and is an important ally in their fight against Islamic fundamentalists.

In addition, there are important financial ties between the two countries. Libya's oil industry provides Egyptian workers with money that is repatriated, and reports in the Egyptian and international press have linked the families of Mr. Mubarak and senior figures in his establishment to lucrative business deals with the Libyans.

Mr. Kikhia had traveled to Cairo to attend an annual meeting of the Arab Organization for Human Rights. Aware that Libyan dissidents had disappeared in Cairo in 1990 and been turned over to Libya, he asked Egypt's security services for guarantees of safe passage and put himself in their hands, according to Arab sources.

He was seen having coffee with two identified Egyptian security agents in the Safir Hotel on the night of Dec. 10, and leaving shortly afterward in a car bearing license plates belonging to Egypt's secret police.

Mr. Kikhia, then 62 and a diabetic, left his insulin syringe and pajamas by his bedside, indicating he expected to return to the hotel shortly.

Information given to the U.S. authorities three years ago pointed to Mr. Kikhia's having been taken against his will to the Cairo home of Ibrahim Bishari, Libya's ambassador to the Arab League, where he was interrogated by Abdullah Senoussi, Colonel Gadhafi's brother-in-law and head of Libya's most notorious intelligence unit.

Mr. Kikhia was reportedly seen alive in Libya shortly afterward, and then disappeared from view.

Mr. Kikhia's wife, Baha Omary Kikhia, who lives in Vienna, Virginia, has conducted her own inquiry, and is unwilling to believe the State Department notification of her husband's execution, which was given to her on Aug. 26.

She went last Monday to Libya, where she is demanding to see Colonel Gadhafi, apparently to confront him with the U.S. report.

"She considers this as one more rumor," her daughter, Maya Omary, said Friday. "All we got from the State Department was one miserable piece of paper with nothing real on it. That was just not right, even if they meant well."

Colonel Gadhafi has denied to Baha Kikhia and in public statements that Libya was involved in Mr. Kikhia's kidnapping or detention.

SMOG: *Changed Winds Help Malaysia*

Continued from Page 1

donesian official defended his country's handling of the fires, attributing the unusually widespread blazes to freak weather patterns in the region that have caused water shortages and have provided ideal conditions for forest fires.

"We are not late in anticipating the problem," Azwar Anas, the head of Indonesia's National Disaster Management Coordinating Agency, told the Antara news agency. "It's a natural disaster which no one could have prevented."

For more than a week, families stayed indoors here, hiding from the oppressive pollution that sent thousands to clinics and hospitals, complaining of breathing troubles and eye irritations.

"We had to go to the clinic because tears were running down our cheeks," said Hadiah binti Nasir, whose one-story home is 20 kilometers (12 miles) from Kuching. "We kept all the children inside the house."

Her husband, Unai bin Gani, a manager at a nearby plantation, said work had stopped during the state of emergency, as had sales of the plantation's bananas, pineapples and durian fruit. "We couldn't go out to work, so we didn't have any income," Mr. Unai said.

For Mr. Unai and Mrs. Hadiah, the main affects of the haze were closer to home. A 3-month-old grandson cried often and slept little. "We closed all the windows and doors," said Hatta Morsidi, one of nine children in the family.

Venturing out of the house meant navigating a thick, yellowish haze. "Even from across the road we couldn't see the house."

But with the improvement in air quality during the weekend, normalcy returned to the family's home. Mr. Hatta played soccer in the village with friends and his parents went to the nearby mosque without having to wear protective masks.

"We prayed for the rain to come and for the haze to go away," said Mr. Unai.

On Sunday, some normalcy also returned in Kuching, where Vincent Wee, who owns a food stall on the banks of the Sarawak River, said he saw his shadow for the first time in weeks.

As the sun peeked through a milky sky, Mr. Wee returned to his job. "Last night I looked up and saw the stars," Mr. Wee said. "We hadn't seen that for nearly two weeks."

■ Survivors of Collision Sought

Malaysian rescuers searched Sunday for 28 missing seamen and a two-year-old boy in the Strait of Malacca after a cargo ship sank in a collision with another vessel, Reuters reported. The accident occurred late Friday night in low visibility due to the haze from fires.

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European 'Sell Phones' Ring a Bell With Users

Ads Don't Seem to Put Off Subscribers

By John Tagliabue
New York Times Service

VIAREGGIO, Italy — Filippo Simonelli lifts the receiver of his phone and punches some buttons. A voice *barks into his ear: "Fresh pizza? Ristorante* Buon Amico. Via dei Campi, 24." No, he did not call a pizza parlor. He is part of a curious experiment in which some Europeans are being offered free calls if they will also listen to commercials.

Mr. Simonelli, who runs an insurance business on the main boulevard of this Mediterranean resort, listens to the ad with the same aplomb shown by local pedestrians when sidestepping careering Vespas.

Is nothing safe from advertising clutter? Apparently not, judging from the response of those who have tried it.

"I'm not only satisfied; I'm telling everyone about it," Mr. Simonelli said, as gleeful as a child getting free ice cream. The only drawback, he said, is that at peak hours the phone system becomes overloaded. And that, said Paolo Balestri, the advertising and television executive who introduced the service to Viareggio, is because "we have not been able to get equipment fast enough to meet demand" after announcing the free service in local newspapers this summer.

Mr. Balestri's company, Promotional System Phone, has 12,000 subscribers in Viareggio and two neighboring communities on the west coast of Italy north of Pisa. By next year, it expects to spread to more than 100 cities and to sign up 700,000 customers.

Italians are not the only ones toying with phone ads. In Sweden, a company called Gratistelefon, which says it invented the idea, has 30,000 subscribers, with more signing up every day. In Norway, the national phone company, Telenor, is testing the idea.

In Germany, O.tel.o, a joint venture by two large utilities, VEBA AG and RWE AG, plans to start a pilot project in October in Berlin, where, after signing up 5,000 users, it had to turn thousands more away.

The big national phone companies, *which provide the lines*, are waiting to see whether free calls increase volume.

"Sounds like a nightmare" — that was the first reaction of Marina Marchetti, a spokeswoman for Telecom Italia, Italy's national phone company. But if it catches on, she said, Telecom will not rule out starting a system of its own.

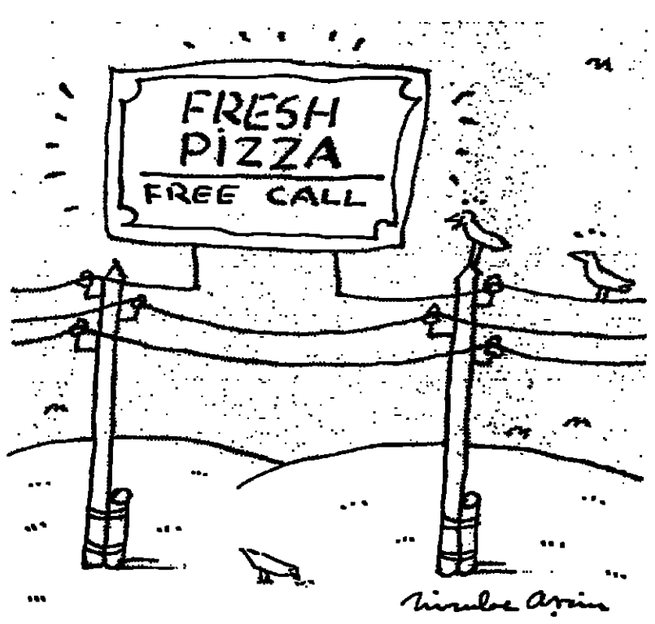
Some big corporations, with huge advertising budgets, are taking a wait-and-see approach.

Procter & Gamble Co.'s large German unit, for example, agreed at first to take part in the Berlin experiment. But even though a company spokeswoman, Christina Jacob, described the new service as "for sure, a very interesting tool" for advertising, Procter & Gamble withdrew, preferring to await the results of the Berlin test before deciding whether to buy ad time.

The executives of some ad agencies are also cautious. Marco Testa, president of Armando Testa SpA in Milan, a leading Italian agency, said he feared that primarily low-income families would be interested, offering an unpromising population sample to potential advertisers. Moreover, he said, the phone ads' lack of visual images poses creative limitations, as does their brevity. Most ads average 3 to 10 seconds.

"From an advertising point of view, it's in a very experimental phase," he said. "At best they are useful for very local businesses, for the moment at least."

Could such phone ads travel to the United States? David Frail, a spokesman for Bell Atlantic Corp. in New York, speculated that the Federal Communications Commission might not approve them, given its past reluctance to allow broadcasting over phone lines.



But in Washington, a spokeswoman for the regulatory body's common carrier office said she knew of no ruling that would apply. If such service was restricted to local calls, she said, as it generally is in Europe, regulation would be up to the states.

Kevin Doyle, a spokesman for BellSouth Corp., the telecommunications company in Atlanta, said that he had read recently about free phone systems but that they "might take some getting used to."

But he was definitely interested, saying, "Certainly, as a going business, we would look at anything that would prove to be a money maker."

Mitch Burg, executive vice president of the Media Edge, a unit of Young & Rubicam Inc. in New York, said the group had been approached about producing such ads and was intrigued.

Meanwhile, the companies that pioneered the system are pushing ahead with fresh investment to expand service and are aggressively seeking to sell their systems abroad.

Gratistelefon has sold its software in Australia and the Philippines and is talking with potential partners in the United States. Mr. Balestri said he was negotiating with a potential partner in Washington.

Europe's free phone systems differ from country to country, but in Viareggio, subscribers pay 35,000 lire (about $20), for a three-year contract for the service. After they provide Mr. Balestri's company with such personal data as age, sex, size of family, type of automobile and living quarters, customers are issued personal identification numbers.

To make a call, subscribers dial a toll-free number and are welcomed by a five-second commercial. After punching in their identification number, callers hear a second commercial, after which they make the call. Calls

See PHONES, Page 16

Beijing Wins Support For Bid to Join WTO

Japan Backs Entry as EU and U.S. Balk

Compiled by Our Staff From Dispatches

MAKUHARI, Japan — Japan is pushing for China's quick admission to the World Trade Organization, Prime Minister Ryutaro Hashimoto told a meeting of Asian and European trade ministers Sunday, while the United States and European Union want to delay its entry.

"I have been taking the initiative toward achieving the early accession of China to the WTO," Mr. Hashimoto said at the first Asia-Europe Economic Ministers Meeting.

The European Union's top trade official, Sir Leon Brittan, echoing the U.S. treasury secretary, Robert Rubin, said Sunday that China had not gone far enough to satisfy the conditions for joining the WTO.

"Progress has been made, there is no question about that, but I think we still have a long way to go." Sir Leon said.

China has been trying to gain access to reduced tariffs under world trade rules for more than a decade. Entry to the WTO would entitle Chinese exporters to reduced tariffs worldwide. WTO membership would also entitle it to file grievances when other countries broke the rules.

Mr. Rubin said Friday in China that the United States was "a very, very strong advocate of China becoming a member of the WTO, but we believe it must be on commercially viable terms, which means real opening of China's markets. In our judgment, that's what the WTO is all about."

Starting Oct. 1, China will cut average tariffs on imports to 17 percent from 23 percent. The details of the cuts, announced last week, were designed to placate critics of its trade policies.

China has become more accommodating "in areas such as market access, tariffs, services, the role of state enterprises," Sir Leon said. "There is substantial progress still to be made before we can bring it to a close."

Remaining barriers include a judicial system that discriminates against foreign companies and hurdles to foreign involvement in the retailing and wholesaling industries.

Partly because of obstacles to imports, China piled up a record $25.5 billion trade surplus in the first eight months of this year, more than double the $12.2 billion surplus it recorded in 1996.

China fears exposing local markets to more advanced competitors from the West and wants to open markets slowly. Sir Leon said the EU would accept "transitional arrangements and phasing in of commitments, but the commitments have to be strong enough."

Sir Leon said Europe also would lobby the 10 Asian countries taking part in Sunday's talks to pledge to open up their banking and insurance markets ahead of a December deadline for a WTO financial-services trade agreement. The prospects for an agreement were dimmed by turmoil in Southeast Asian currency markets, Mr. Rubin said in Hong Kong last week. *(Bloomberg, AFP)*

Frankfurt Stock Exchange Plans Indexes to Rival London

Reuters

FRANKFURT — The German stock exchange announced Sunday that it planned to introduce pan-European stock indexes to compete with the London stock market after the introduction of the single European currency.

Joerg Franke, a member of the board of Deutsche Boerse AG, the exchange's holding company, said in an interview with a German newspaper that the bourse would start one index covering stocks in the monetary union area and a broader index of about 50 stocks from all over Europe.

"We want to set the benchmark, to provide the product accepted by the market," Mr. Franke told Welt am Sonntag.

The bourse will also offer Europe-wide sector indexes and develop equity derivatives based on them, he said.

"On the fixed-income side, a future on a basket of European government bonds would also be conceivable," Mr. Franke said.

He did not say exactly when the new products would be offered.

Europe's bourses are scrambling to prepare for the inevitable consolidation in their markets ahead of the planned Jan. 1, 1999, launch of the euro. Monetary union will lessen the need for national exchanges as stocks, debt and derivatives will be denominated in just one currency.

The German, Swiss and French bourses announced plans this month to link up their derivatives exchanges in a bid to challenge the London International Financial Futures Exchange, or LIFFE, which dominates European derivatives trading.

The increasingly fierce competition between London and Continental Europe has been reflected in tough talk.

The chairman of Deutsche Boerse, Werner Seifert, said this month that it was time for the "crazy world of exchanges to stop their national chauvinism."

Daniel Hodson, chief executive of the London futures exchange, has said that Europe's bourses could not hope to match London's dominance in short-term interest-rate products.

'Perverse' Strengthening Belies Storm Awaiting Yen

By Carl Gewirtz
International Herald Tribune

PARIS — A calm so unnatural that it can only signal the approach of a terrible storm has enveloped the yen.

Despite Japan's performance as the weakest economy among the major industrialized countries and its record-low interest rates — which logically should translate into a weak currency — the yen last week *rose* 0.8 percent versus the dollar and slipped a mere 0.2 percent against the Deutsche mark.

"It's madness," said Richard Koo of Nomura Research Institute in Tokyo.

Jesper Koll at the Tokyo office of J.P. Morgan & Co. called it "upside down economics, a very perverse state of affairs."

What logically should be happening with Japan's short-term interest rates at a mere 0.5 percent and long-term rates at only 1.88 percent is a tidal wave of capital outflow, weakening the yen, toward North America or Europe, where both short- and long-term rates are substantially higher.

But a weakening yen against the dollar is not politically acceptable. Not to the Americans, who have been privately highly critical of Japan's decision to raise domestic taxes and publicly hostile to Japan's relying on a cheap currency to export its way to better growth.

On the back of the sharp depreciation of the yen from its record high set in early 1995, Japanese exports — now rising at their strongest rate since 1984 — are already a growing political issue.

In volume terms, said Mr. Koo, "Japan's surplus is nearly at the record level seen in 1992."

Jim O'Neill at Goldman Sachs & Co. in London said the current exchange rate, with the dollar at 121.225 yen, is unsustainable, unless the United States and Europe are prepared to become service economies and allow Japan to produce all the manufactured goods. A fair value for the dollar, he estimated, is 100 yen.

Nor is a weakening yen — approaching 130 to the dollar — acceptable to the Japanese. They do not want a fight with Washington, and they continue to insist that their policy mix is correct and that domestic-demand-led growth is just around the corner.

This week's quarterly *tankan* report, the most authoritative survey of business sentiment in Japan, now

See YEN, Page 16

CYBERSCAPE

Psion Shirt-Pocket Computer Does It All (Almost)

By Stephen Manes
New York Times Service

FORGET pocket protectors. You can tell modern nerds by the computers sticking out of their pockets.

New, pocket-sized devices have so far been most useful as repositories of personal data. But none has managed to take the place of a typical portable computer because their keyboards (when they have them) have been finger-busters and their screens can induce permanent squints.

The British-made Series 5 model from Psion Inc. comes so close to solving those problems that its shortcomings are particularly frustrating. At about $700 for an 8-megabyte model, it is not cheap; neither is a 4-megabyte model for $100 less, which has been announced but remains unavailable.

In a package of 12 ounces (335 grams) no bigger than a typical pocket organizer, it packs not only an electronic address book and calendar but also a decent word processor, spreadsheet and calculator, not to mention a drawing program complete with handy icons of things like street intersections and snowmen.

None of that would be of much consequence were it not for a screen you can read without going blind and a keyboard you may actually be able to type on.

Some of the unit's quirks must be mastered, but if you have used any standard computer, figuring this one out is fairly simple, thanks to intelligent design.

Icons arrayed around the touchscreen let you switch instantly between one application and another. A handy zoom icon lets you work with big, clear text or sacrifice readability for more information. Menus remember where you were the last time you used them.

Though tiny, the keyboard's sculptured keys give you a fighting chance of being able to hit them accurately, after an hour or so of practice.

The sharp, clear monochrome touchscreen is propped at a fixed angle, which keeps it from flopping back when you press it. But that also keeps you from adjusting it when reflections obscure your view. The feeble but battery-eating backlight can help in some low-light situations.

An AC adapter is an optional extra, but because the machine runs quite a while on two AA cells, it makes more sense to throw a spare pair into the briefcase. Battery life is nowhere near the 35 hours the company claims; after a bit over six hours of use, the juice ran low enough to make the built-in voice recorder quit in protest.

Removable memory comes in the form of standard compact flash disks; a 4-megabyte wafer costs about $100. The infrared port is about as useful as most, which is to say not very. One nice engineering touch is that the little doors for things like batteries do not fall off so cannot get lost.

The software engineering is not quite as successful. For "Psion," the sluggish spelling checker suggests the alternative "Poison." The software that lets you connect the device to a Windows 95 computer is less amusing. The British-accented documentation is so wretched that it forgets to mention that once you get the supplied serial cable connected, you have to adjust a setting on the Psion in order for the link to work at all, and the program's way of making docking automatic may cause hiccups with other software.

The glaring omission in the built-in hardware is a modem. An outboard adapter that accepts standard Type II PC Cards and uses four AA cells for power is available for about $140, but not all modems will work with it and the communications software built into the unit is hopeless for most users. Fax, Web browser and E-mail software will not be available until October.

Still, this little behemoth points to a day when our computers will live in our pockets. Sartorial note: the pocket of the expensive shirt I wore on my return flight was neatly divided into a part for a pen and a part into which this device would not fit.

Tailors to nerds: Consider yourselves warned.

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Sept. 26

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Brussels	36.33	58.3125	20.645	6.147	2.1116*	18.33	—	25.1575	0.20	24.36	24.50*
Frankfurt	1.7545	2.8186	—	0.2977	0.1022*	0.8879	4.8451*	1.2114	1.4555*	1.2677	1.1844*
London (a)	1.6858	—	2.8337	9.51	2.765.43	3.1882	58.4833	2.3289	194.4142	2.2246	239.1037
Madrid	148.345	238.02	84.421	25.139	8.635*	74.956	4.0903	100.37	122.884*	107.281	—
Milan	1,713.90	2,759.95	977.20	290.98	—	868.75	47.372	1,163.25	14.227	1,238.25	11.582
New York (b)	—	1.6592*	1.7088	5.9865	1,719.00	1.9886	34.27	1.4585	121.225	1.2048	148.43
Paris	5.981	9.668	3.3582	—	0.3455*	2.9817	0.1657	4.0722	4.8882*	4.2644	3.9765*
Tokyo	121.30	196.42	68.93	20.52	0.706	61.21	2.3487	83.71	—	87.23	0.8173
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*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

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Austrian sch.	12.337	Hung. forint	195.56	Norw. krone	7.0921	Swed. krona	7.5144
Brazil real	1.0951	Indian rupee	36.19	Phil. peso	33.40	Taiwan $	28.60
Chinese yuan	8.315	Indo. rupiah	3035.0	Polish zloty	3.43	Thai baht	34.70
Czech koruna	33.12	Irish £	0.687	Port. escudo	178.30	Turkish lira	172605
Danish krone	6.6727	Israeli shek.	3.4982	Russ. ruble	5868.0	UAE dirham	3.6725
Egypt. pound	3.4003	Kuw. dinar	0.302	Saudi riyal	3.75	Venez. bolív.	496.75
Fin. markka	5.2426	Malay. ring.	3.131	Sing. $	1.525		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6013	1.5994	1.5971	Japanese yen	120.00	119.53	118.98
Canadian dollar	1.3810	1.3787	1.3705	Swiss franc	1.4449	1.4435	1.4420
Deutsche mark	1.7490	1.7457	1.7422				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

SBC Cuts Cord on Cable Business

Bloomberg News

SAN ANTONIO, Texas — The first Baby Bell telecommunications company to branch out into cable television has decided to leave the business — at a loss.

SBC Communications Inc. agreed Saturday to sell two cable television systems in the Washington area to a partnership of Prime Cable and Carlyle Group for $637 million, less than it paid for the systems four years ago.

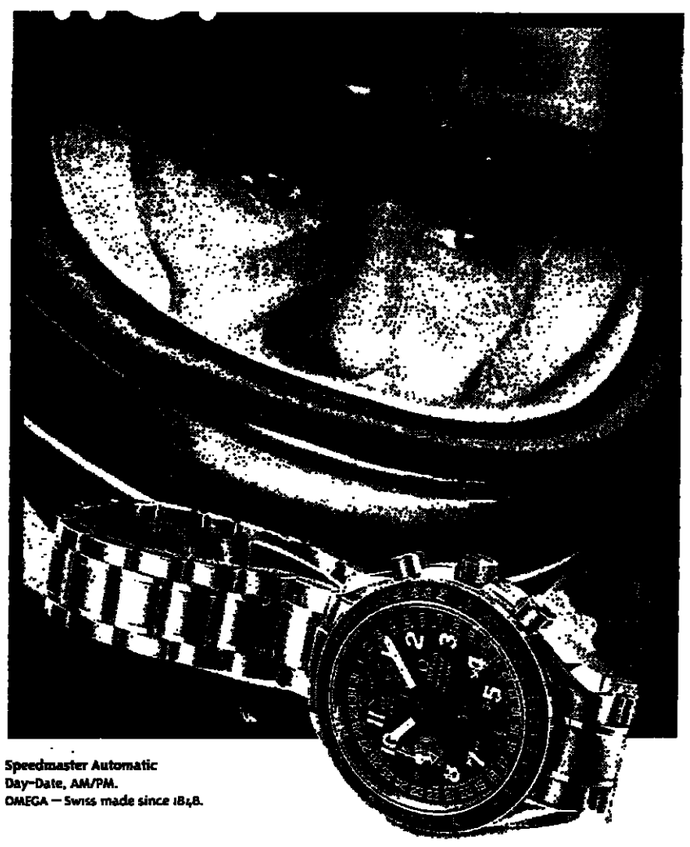
SBC, the parent company of Southwestern Bell Telephone and Pacific Bell, said it was selling the cable systems as part of a program to shed video investments and to focus on its telephone business.

SBC bought the systems for $650 million from Hauser Communications Inc. in 1993, amid a flurry of similar transactions as local telephone companies sought to enter the cable business.

Prime Cable paid $20 million for a minority interest in the properties in 1995 and has been operating them since. The cable operator, with financial backing from Carlyle, also agreed to buy SBC's option to buy a 75 percent interest in Prime Cable of Chicago for an undisclosed price.

SBC quickly followed up with a proposed $4.9 billion partnership with Cox Communications Inc. that would have created the third-biggest cable system in the United States. SBC shelved the transaction after Congress passed strict new regulations on the cable industry. It has been reducing its television and video investments ever since.

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Bundesbank Is Expected to Change a Key Signal, Perhaps This Week

By Carl Gewirtz
International Herald Tribune

PARIS — Both currency and bond markets could be in for a shock if Deutsche Morgan Grenfell analysts are correct in warning that Germany's central bank could move as early as this week to alter the way it signals its policy stance.

For more than a year, the Bundesbank has used a fixed rate of 3 percent to allot cash to the banking system via weekly repurchase agreements. This repo rate effectively sets the cost for overnight money, the base for all other market interest rates. The fixed-rate procedure has been used to signal that the central bank wanted the rate to remain unchanged.

The change in the procedure is likely to be read as a readiness to move rates up. But as the investment bank analysts noted in a new report, the central bank's normal operating procedure is to use a variable rate auction, where banks propose prices and the central bank accepts those it wants.

Moving back to the variable rate auction will increase the central bank's flexibility to move rates, but such an increase is not imminent, the analysts argued.

"We believe that the Bundesbank is well aware of market sensitivity to a sharp rise in the repo and is likely to time any move from fixed to flexible repo to coincide with ample liquidity in the money markets," the analysts wrote.

They noted that Tuesday would be a propitious time since the start of a month is normally a period when banks are flush with cash and least likely to bid so aggressively as to push up the rate.

In fact, the analysts added, "the generous" amount of liquidity in the money market has heightened expectations "that the Bundesbank is preparing the ground for such a shift in policy." But an outright increase in rates is still some way off, the analysts insisted, because with domestic growth still weak and the economy still reliant on rising exports, any appreciation in the value of the Deutsche mark is undesirable so long as the currency is in no danger of weakening.

With the dollar finishing last week at 1.7545 DM and with the Federal Reserve Board unlikely to raise U.S. interest rates at a meeting Tuesday, the dollar appears unlikely to challenge its June high of 1.89 DM — a level that had German officials worrying about importing inflation.

The main event in the international bond market was the avalanche of British government paper bought after reports that London might choose to join the European Union's planned monetary union. The buying spree was based on the assumption that British rates will have to fall substantially. The move also caused the pound to fall — a relief to British exporters, who have complained that the currency's strength was crimping sales. But Jan Loeys at J.P. Morgan & Co. in London warned that the currency's decline would probably increase the likelihood that the Bank of England would soon raise interest rates to prevent the current economic boom from driving up inflation.

Also noteworthy was the huge response to the sale by Credit Lyonnais of 40 billion French francs ($6.78 billion) of asset-backed securities. The issuer was a special purpose vehicle, Cyberval, and the asset backing the five-year notes was a loan the bank had made to a state-owned body established to help rescue Credit Lyonnais. In essence, the operation lets the bank monetize the state aid it had received and access money at a cost it could not otherwise obtain.

The floating rate notes were sold to pay interest of two basis points, or 0.02 percentage point, over the interbank rate. The all-in cost for Credit Lyonnais was estimated at five basis points over the interbank rate, about 20 basis points cheaper than the bank would otherwise expect to pay.

More than 60 percent of the notes were sold to banks in Germany, hungry for triple-A-rated paper qualifying as sovereign risk and therefore carrying a zero-risk weighting against capital.

Banking authorities in France, Belgium and Luxembourg gave an earlier set of Cyberval issues a zero-risk weighting, and the German authorities, who withheld such a favorable ruling earlier, signaled they would fall in line.

Investors Turn to EMU's Latecomers

Bloomberg News

LONDON — Investors who believe there is little left to be gained in betting on which countries will qualify for Europe's planned single currency in 1999 are turning to the bonds of countries expected to join the single currency a few years later.

The delay is likely to push down borrowing costs for Britain, Sweden and Denmark, which are not expected to be among the first wave of nations joining the European economic and monetary union but have indicated that they could apply for membership once EMU is under way.

"There's better value in these markets than in, for example, Italy and Spain," said Stewart Cowley, head of global fixed-income for Hill Samuel Asset Management.

Ten-year Italian or Spanish bonds offer less than a 60 basis-point premium over German bonds, Europe's benchmark market.

British bonds, however, deliver a premium of about 100 basis points, or 0.10 percentage point, down from 150 points a month ago. The premium is better than the 50 basis points offered by Sweden or the 60 basis points offered by Denmark. Both countries have better economic records than Spain or Italy.

Monetary union appears increasingly likely to happen on schedule, with the political drive to forge a single economic bloc outweighing the difficulties some countries have faced in clearing the economic hurdles designed to ensure synchronization between the economies of EMU members.

Germany, France, Italy, Belgium, Luxembourg, the Netherlands, Austria, Ireland, Finland, Spain and Portugal are widely expected to be in the first wave of countries adopting the single currency, the euro.

The bond yields of those countries have compressed, shrinking the gaps investors used to exploit for profit, as governments battling to qualify for EMU improved their economic discipline and as the prospect of currency risk on their bonds waned.

The gaps have shrunk faster than many analysts and investors expected. The spread between Italian and German yields, for example, took six months to get to 200 basis points from 400 points, less than four months to halve to 100, and sprinted to 60 from 100 in less than a month.

The speed of the move caught many investors by surprise, as spreads were not expected to dissolve until next summer. Strategists recommend getting in early on the next big event, with gilt-edged bonds likely to be the main beneficiary of new investor interest.

"The bet is that bonds of the countries that should be there in two years' time get there earlier," said Alison Cottrell, chief international economist at PaineWebber International.

Some bond buyers say the British bond market is in a no-lose situation. The market soared Friday on reports that the government was considering joining the single currency soon after the 1999 start date, which would mean that a referendum on replacing the pound with the euro would be held earlier than previously expected. A referendum on EMU was one of the Labour government's election pledges.

"In a way," Mr. Cowley said, "gilts will have the best of both worlds — if EMU works well, they will benefit from convergence because people will expect them to join sooner rather than later once they have seen the benefits. If EMU isn't a success, gilts benefit from perceived safe haven status within Europe."

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Sept. 26. Prices supplied by Telekurs.

Australian Dollar

Rnk Name	Cpn	Maturity	Price	Yield
203 Australia	6¾	11/15/06	104.8500	6.4400

British Pound

Rnk Name	Cpn	Maturity	Price	Yield
141 Abbey Natl TS	6	08/10/99	97.7500	6.1400
158 Fin Resid Hous	8.369	09/30/50	143.5000	5.8300

Canadian Dollar

Rnk Name	Cpn	Maturity	Price	Yield
222 Canada	7¼	06/01/07	110.7200	6.5500

Danish Krone

Rnk Name	Cpn	Maturity	Price	Yield
6 Denmark	7	11/15/07	107.0000	6.5400
12 Denmark	8	03/15/06	113.6800	7.0400
16 Denmark	8	11/15/01	110.7200	7.2300
22 Denmark	9	11/15/00	111.6800	8.0600
27 Denmark	7	11/10/24	103.5000	6.7600
34 Denmark	6	12/10/99	102.6500	5.8500
44 Denmark	7	12/15/04	107.6500	6.5000
45 Denmark	8	05/15/03	112.3700	7.1200
46 Denmark	6	11/15/02	103.4800	5.8000
48 Denmark	9	11/15/98	105.1100	8.5600
106 Nykredit	7	10/01/29	97.0300	7.2100
133 Denmark	7	02/15/98	101.0900	6.9200
137 Realkredit	7	10/01/29	97.3500	7.1900
138 Denmark	6	02/15/99	102.2200	5.8700
153 Nykredit	6	10/01/26	92.9300	6.4600
221 Denmark Tbills	zero	02/02/98	98.6915	3.7100
223 Denmark	4	02/15/00	98.9300	4.0400
243 Nykredit	7	10/01/26	99.0500	7.0700

Deutsche Mark

Rnk Name	Cpn	Maturity	Price	Yield
1 Germany	6	07/04/07	101.5263	5.9100
2 Germany	6	01/04/07	103.4400	5.8000
3 Germany	6¼	04/26/06	105.5833	5.9200
5 Bundesobligation	4½	02/22/02	99.5250	4.5200
7 Germany	6½	07/04/27	104.3200	6.2300
8 Germany	8	07/22/02	113.5400	7.0500
9 Treuhand	7¾	12/02/02	108.7360	6.7850
10 Germany	4½	05/17/02	99.2213	4.5400
11 Germany	3½	06/18/99	99.3100	3.5200
15 Germany	8	01/21/02	112.5500	7.1100
17 Germany	5	02/20/01	101.4800	4.9300
18 Germany	5	05/21/01	101.8100	4.9100
19 Germany	3½	09/18/98	99.5100	3.5000
20 Germany	6⅞	05/12/05	107.2235	6.4100
23 Germany	8¾	08/20/01	114.5100	7.6400
24 Treuhand	7¾	10/01/02	110.0778	7.0400
25 Germany 94	6¼	01/04/24	92.7787	6.7300
28 Germany	6½	10/14/05	107.3150	6.0600
31 Germany	6	01/05/06	104.3167	5.7500
32 Germany	7¾	01/03/05	112.5900	6.5500
33 Treuhand	7½	09/09/04	113.1480	6.6300
35 Germany	4¾	11/20/01	100.4950	4.7300
36 Germany	3¾	03/19/99	99.3900	3.7500
37 Treuhand	7⅛	01/29/03	110.1650	6.4700
39 Germany	9	10/20/00	112.8992	7.9700
41 Germany	8¼	09/20/01	113.0718	7.3000
42 Germany	6	02/16/06	103.9800	5.7700
43 Treuhand	6½	04/23/03	107.3700	6.0500
47 Treuhand	6⅝	07/09/03	107.7650	6.1400
51 Germany	9	01/22/01	113.6800	7.9200
53 Germany	8⅞	12/20/00	113.0600	7.8500
55 Germany	3½	12/18/98	99.7700	3.5100
58 Germany	6⅝	04/22/03	108.6200	6.2100
59 Germany	5⅛	11/21/00	102.1717	5.0200
60 Germany	8½	02/20/01	112.3600	7.5600
61 Germany	5⅞	05/15/00	103.9800	5.6500
64 Germany	6⅜	05/20/98	101.8800	6.2600
65 Treuhand	6⅝	05/13/04	108.8567	6.2000
66 Germany Tbills	zero	01/16/98	99.0260	3.2100
67 Treuhand	6⅝	07/01/99	104.0700	6.1300
68 Treuhand	6⅞	06/11/03	109.1500	6.3000
70 Germany	6	09/15/03	105.2650	5.7000
71 Germany	6¾	09/15/99	105.2000	6.4200
72 Germany	7½	11/11/04	113.4050	6.6100
74 Germany	5⅝	02/22/99	102.1284	5.2600
76 Germany	5¾	08/22/00	103.7700	5.5400
77 Germany	7¼	10/21/02	110.5600	6.5600
79 Germany	5¼	02/21/01	102.4750	5.1200
80 Germany	7⅛	12/20/02	110.1300	6.4700
81 Germany	6½	03/15/00	105.2900	6.1700
82 KFW FRN	3.135	09/23/02	99.8400	3.1400
83 Germany	6½	01/02/99	103.3300	6.2900
84 Germany	8¾	07/20/00	111.4840	7.8500
85 Treuhand	5⅝	09/24/98	101.9200	5.5200
86 Germany	6⅞	12/02/98	103.6000	6.6400
87 Treuhand	6¼	03/04/04	105.1989	5.9400
88 Germany	8¾	05/21/01	112.6525	7.4300
94 Germany	6½	07/15/03	107.4900	6.0500
95 Treuhand	7	11/25/99	105.9650	6.6100
99 Germany SP	zero	07/04/27	15.0000	6.5800
101 Germany	7	01/13/00	106.2005	6.5900
103 Germany	6	06/20/16	100.0700	6.0000
105 Treuhand	5	12/17/98	101.4900	4.9300
107 Germany	6¾	07/15/04	109.0280	6.1900
113 Germany	6⅛	05/20/99	103.5000	5.9200
116 Germany	5¾	08/20/98	101.9200	5.6400
117 Germany SP	zero	01/04/24	19.0700	6.5100
121 Germany FRN	3.048	09/30/04	99.2100	3.0700
124 Germany	7	12/22/97	100.8700	6.9400
126 Deutsche Bahn	5¾	10/10/07	100.3439	5.7300
129 Germany	8½	08/21/00	111.0850	7.6500
130 Treuhand	6¼	07/29/99	104.0200	6.0100
131 Germany	8¾	05/22/00	111.0100	7.8800
132 Treuhand	6	11/12/03	104.9500	5.7200
134 Germany	6⅝	01/20/98	101.0000	6.5600
140 Treuhand	5¾	04/29/99	102.8200	5.5900
157 Germany	5¼	10/20/98	101.6600	5.1600
160 Germany	5¼	02/25/98	100.7600	5.2100
161 Treuhand	5	01/14/99	101.5200	4.9300
168 Germany	5¾	05/28/99	102.9200	5.5900
173 LB Berlin FRN	zero	09/25/05	98.7975	0.0000
176 Germany	5¼	11/20/97	100.2900	5.2300
177 Cap Credit Card	5⅝	08/15/01	102.1609	5.5100
189 Treuhand	6½	06/25/98	101.9591	6.0100
196 Citicorp	6¼	09/19/09	101.0000	6.1900
202 Treuhand	6⅞	03/26/98	101.3200	6.0500
206 Germany	6	02/20/98	101.0200	5.9400
219 Germany	7½	10/20/97	100.2800	7.4800
226 Germany	6¼	02/20/98	101.1100	6.1800
233 Italy	5¾	07/10/07	100.4300	5.7300
246 KFW	5½	10/17/03	102.2000	5.3800
248 Germany	7	04/20/99	104.6800	6.6900

Dutch Guilder

Rnk Name	Cpn	Maturity	Price	Yield
50 Netherlands	5¾	02/15/07	101.9500	5.6400
62 Netherlands	6¼	07/15/98	101.9300	6.1300
69 Netherlands	7½	01/15/23	117.5000	6.3800
93 Netherlands	8¼	02/15/07	120.0000	6.8800
97 Netherlands	8¼	09/15/01	114.4700	7.6400
98 Netherlands	5¾	09/15/02	103.8500	5.5400
108 Netherlands	7	03/15/99	104.2000	6.7200
111 Netherlands	9	01/15/01	113.3500	7.9400
118 Netherlands	7½	06/15/99	105.5500	7.1100
127 Netherlands	8½	03/15/01	112.3000	7.5700
128 Netherlands	8¼	06/15/02	114.3000	7.2200
135 Netherlands	6¼	11/15/05	109.0500	6.1900
145 Netherlands	zero	10/31/97	99.0920	9.4200
147 Netherlands	7½	04/15/10	116.1000	6.4600
149 Netherlands	7¼	03/01/05	115.0500	6.7400
150 Netherlands	7	06/15/05	110.5500	6.3300
155 Netherlands	7¾	01/15/00	107.4500	7.2100
162 Netherlands	7	02/15/03	109.6000	6.3900
166 Netherlands	5½	01/15/04	103.4500	5.5600
170 Netherlands	6¾	10/01/98	102.8500	6.5600
172 Netherlands	8¼	02/15/02	113.6500	7.2600
179 Netherlands	6	01/15/06	104.1500	5.7600
186 Netherlands	6½	04/15/03	107.2500	6.0600
198 Netherlands	6½	07/15/98	102.0800	6.3700
209 Netherlands SP	zero	01/15/23	19.8000	6.6000
211 Netherlands	8¼	02/15/00	108.7400	7.5900
214 Netherlands	9	05/15/00	111.3500	8.0800
224 Netherlands	8¼	09/15/07	120.6500	6.8400

ECU

Rnk Name	Cpn	Maturity	Price	Yield
56 France OAT	5½	04/25/07	97.9800	5.6100
144 France OAT	6	04/25/04	104.1000	5.7600
164 France B.T.A.N.	4½	07/12/02	97.5000	4.6200
190 France OAT	7½	04/25/05	112.3500	6.6800
212 France B.T.A.N.	6	03/16/01	103.6250	5.7900
238 France OAT	7	04/25/06	109.3500	6.4000
249 France BTAN	5	03/16/99	100.6250	4.9700

French Franc

Rnk Name	Cpn	Maturity	Price	Yield
180 France OAT	7¼	04/25/06	113.2600	6.4000
205 France OAT	6¾	10/25/03	109.3600	6.1700
210 France OAT	6¾	10/25/04	109.6100	6.1600
230 France OAT	7¾	10/25/05	116.3400	6.6600
250 France BTAN	4¾	04/12/99	101.1700	4.7000

Italian Lira

Rnk Name	Cpn	Maturity	Price	Yield
178 Italy	6¼	03/01/02	102.8100	6.0800
185 Morgan Gty	zero	01/21/27	12.6250	7.3100
217 Deutsche Bk Fin	zero	10/15/26	12.7500	7.3400

Japanese Yen

Rnk Name	Cpn	Maturity	Price	Yield
91 MTI Cap	0.50	10/01/07	100.7500	0.4900
194 Mitsui Min Smlt	0.25	09/30/01	107.5000	0.2300
195 MTI Capital	0.50	10/01/07	100.6292	0.4900
204 Polan	1.60	10/03/01	99.9072	1.6000
216 Japan Dev Bk	6½	09/20/01	120.7500	5.3800
218 World Bank	4½	06/20/00	110.0000	4.0900
228 Exim Bk Japan	2⅞	07/28/05	106.8750	2.6900

Portuguese Escudo

Rnk Name	Cpn	Maturity	Price	Yield
123 Bco Invt Im Fm	zero	12/23/08	110.1500	

Spanish Peseta

Rnk Name	Cpn	Maturity	Price	Yield
142 Spain	7.35	03/31/07	110.1450	6.6700
152 Spain	7.90	02/28/02	110.3980	7.1600
154 Spain	6¾	04/15/00	104.4180	6.4600
232 Spain	5.00	01/31/01	98.7010	5.0700

Swedish Krona

Rnk Name	Cpn	Maturity	Price	Yield
102 Sweden	11	01/21/99	107.7120	10.2100
109 Sweden 1036	10¼	05/05/00	111.9560	9.1600
184 Sweden 1037	8	08/15/07	112.8240	7.0900
188 Sweden	5½	04/12/02	99.6500	5.5200
240 Sweden	10¼	05/05/03	121.1280	8.4600

U.S. Dollar

Rnk Name	Cpn	Maturity	Price	Yield
4 Brazil Cap S.L	4½	04/15/14	96.7753	4.6500
13 Venezuela	9¼	09/15/27	95.5967	9.6700
14 Argentina par L	5½	03/31/23	73.3602	7.5000
21 Brazil	10⅛	05/15/27	98.9880	10.2300
26 Argentina	9¾	09/19/27	100.5000	9.7000
29 Mexico	11½	05/15/26	119.0900	9.6600
30 Argentina	11¾	01/30/17	116.0529	9.8000
38 Brazil L FRN	6⅞	04/15/06	92.4363	7.4400
40 Venezuela par A	6¾	03/31/20	86.7545	7.7800
49 Argentina FRN	6¾	03/29/05	92.5138	7.3000
52 Brazil par ZI	5¼	04/15/24	73.0000	7.1900
54 Brazil S.L FRN	6 9/16	04/15/12	84.4600	8.2100
57 Venezuela FRN	6¾	12/18/07	95.1800	7.0900
63 Brazil FRN	6 11/16	01/01/01	99.1375	6.8700
73 Venezuela par B	6¾	03/31/20	87.3125	7.7300
75 Mexico par B	6¼	12/31/19	83.0000	7.5300
78 Russia	10	06/26/07	105.3586	9.4900
89 Mexico par	6¼	12/31/19	83.0000	7.5300
90 Brazil S.ZI FRN	5¼	04/15/24	87.7500	7.6300
92 Mexico	9⅞	01/15/07	107.7500	9.1600
96 Argentina FRN	6⅞	03/31/23	90.5313	7.5900
100 Bulgaria FRN	6 11/16	07/28/11	80.2500	8.3300
104 Canada	6¼	07/15/02	100.2025	6.1100
110 Brazil S.L FRN	6 9/16	04/15/09	88.9400	7.8000
112 Bulgaria FRN	6 11/16	07/28/24	82.6250	8.0900
114 DLJ FRN	5.984	09/18/02	99.8000	5.9900
115 Ecuador par	3¼	02/28/25	56.5000	6.1900
119 Poland Inter	4	10/27/14	86.4636	4.6300
120 Turkey	10	09/19/07	103.0276	9.7100
122 Italy FRN	5.594	05/12/02	99.9700	5.6300
125 Mexico	11¾	09/15/16	117.8750	9.6500
136 Canada FRN	5½	02/10/99	99.8600	5.5100
139 Ecuador FRN	3¼	02/28/15	74.9552	4.3400
143 Poland FRN	6 9/16	10/27/24	98.1250	7.0700
146 Ecuador FRN	6 11/16	02/28/25	81.2500	8.2300
148 Panama	3¼	07/17/14	78.6521	4.7700
151 Italy	6⅛	09/27/23	99.7500	6.5900
156 SBC Glac FRN	5.879	09/18/04	99.6300	5.9000
159 Kellogg	6⅛	08/06/01	100.0000	6.1300
163 Mexico D FRN	6 9/16	12/28/19	95.3427	7.1500
165 Argentina FRN	5⅝	04/01/01	116.5248	4.8200
167 SBC Glac FRN	5.909	09/18/06	100.0000	5.9000
169 N Broad St FRN	zero	07/22/29	100.0000	0.0000
171 World Bank	5.68	09/27/99	99.5000	5.7100
174 Vattenfall	zero	08/05/98	94.4477	6.8400
175 Mexico A FRN	6.867	12/31/19	95.4063	7.2000
181 Russia	9¼	11/27/01	103.1250	8.9700
182 Brazil	8⅞	11/05/01	103.6250	8.5600
183 Argentina	11	10/09/06	114.0000	9.6500
187 Mexico B FRN	6.836	12/31/19	98.2648	6.9500
191 Toyota Motor	6¼	07/22/02	99.8750	6.2600
192 Peru	3¼	03/07/17	61.7861	5.2600
193 BGB Fin Ireland	6¼	03/19/01	99.8750	6.2600
197 EIB	zero	11/06/26	15.0000	6.7300
199 Peru Pdi	4	03/07/17	67.4735	5.9300
200 Korea Dev Bk	7⅛	09/17/01	100.5000	7.0900
201 Brazil S.L FRN	6 9/16	04/15/12	84.5089	8.2100
207 Bulgaria	2¼	07/28/12	65.3750	3.4400
208 Mexico par A	6¼	12/31/19	83.0000	7.5300
213 CADES FRN	5.53	12/10/01	100.4220	5.5100
215 Mydfa FRN	6 9/16	09/09/07	86.7849	7.7100
220 Bankers Tr FRN	5.87	07/03/02	99.6400	5.8900
225 Mexico C FRN	6.82	12/31/19	96.3562	7.0800
227 Pemex	8.85	09/15/07	101.1250	8.7500
229 Brazil Cbond S.L	4½	04/15/14	96.6145	4.6600
231 Commerzbk Fm	5.594	01/29/01	99.6100	5.6200
234 ADB	6.22	08/15/27	91.4624	6.8000
235 Quebec FRN	5.844	07/02/04	99.4613	5.8800
236 BTM FRN	6.219	12/31/99	100.0000	6.2200
237 Mexico	9¾	02/06/01	106.5000	9.1500
239 Philippines Fix	8¾	10/07/16	100.7500	8.6800
241 Mexico par B	6¼	12/31/19	83.0000	7.5300
242 Argentina	8⅞	12/20/03	100.9562	8.3000
244 Bayerische LB	6⅝	06/25/07	101.5221	6.5300
245 Philippines	6¼	12/01/17	88.3780	7.0700
247 Ontario	6	02/21/06	96.7750	6.2000

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Hua Nan Commercial Bank	$100	2002	0.16	100.00	—	Over 6-month Libor. Reoffered at 99.90. Callable at par from 2000. Fees not available. (Bayerische Landesbank.)
Merrill Lynch Intl	$200	2000	0.05	99.935	—	Over 3-month Libor. Noncallable. Fees 0.15%. (Merrill Lynch Intl.)
Petrobras	$150	2000	1.30	100.00	—	Over 6-month Libor. Noncallable. Fees 0.375%. (Chase Manhattan Intl.)
Union Bank of Norway	$500	1999	Libor	100.083	—	Interest will be the 3-month Libor. Noncallable. Fees 0.125%. (Lehman Brothers Intl.)
Westpac Securities Administration	$499	2028	0.13	100.00	—	Over 3-month Libor. Average life 3.6 years. Also $17.6 million paying 0.26 over Libor. Fees 0.175%. Denominations $100,000. (J.P. Morgan Securities.)
Worldlinx	$207	2009	0.40	100.00	—	Over 6-month Libor. Callable at par from 2000. Fees 0.25%. Denominations $100,000. (J.P. Morgan Securities.)
Bank of Nova Scotia	DM300	2000	Libor	100.065	—	Interest will be the 3-month Libor. Reoffered at 99.98. Noncallable. Fees 0.125%. (ABN-AMRO Hoare Govett.)
Canadian Imperial Bank of Commerce	DM250	2000	Libor	100.035	—	Interest will be the 3-month Libor. Noncallable. Fees 0.125%. (Merrill Lynch Intl.)
Christiania Bank	DM300	1999	Libor	100.027	—	Interest will be the 3-month Libor. Noncallable. Fees 0.08%. (CS First Boston.)
Export-Import Bank of Korea	DM500	2000	¼	99.45	—	Over 3-month Libor. Noncallable. Fees 0.15%. (ABN-AMRO Hoare Govett.)
Key Bank	DM500	2002	0.05	100.00	—	Over 3-month Libor. Noncallable. Fees 0.175%. (J.P. Morgan Securities.)
Portugal	FF700	2007	½	100.00	—	Over 6-month Pibor. Exchangeable at any time for a fixed 6% note. Fees not available. Denominations 1 million francs. (Banque Paribas.)
Sweden	ITL400,000	2007	0.30	[illegible]	—	Interest will be 0.30 over 3-month Libor until 2000, when issue is callable at par, thereafter a fixed 6[illegible]%. Reoffered at 99.95. Fees 2%. (Monte dei Paschi di Siena.)
Fixed-Coupons						
Bayerische Landesbank	$500	2000	6	100.2705	99.72	Reoffered at 99.683. Noncallable. Fees 1⅛%. (Bayerische Landesbank.)
Bepensa	$110	2004	9¾	99.6019	—	Semiannually. Callable at 104½ in 2001. Fees not available. (Banco Santander.)
Canadian Forest Oil	$125	2007	8¾	99.745	—	Callable at par from 2002. Fees 0.25%. (Salomon Brothers Intl.)
Daimler-Benz Australia	$100	2000	6⅛	100.941	99.78	Reoffered at 99.791. Noncallable. Fees 1⅛%. (Commerzbank.)
Kazakhstan	$350	2002	8⅜	99.779	—	Semiannually. Noncallable. Fees 0.625%. Denominations $10,000. (J.P. Morgan Securities.)
Localiza Rent A Car	$100	2005	10¼	100.00	—	Semiannually. Callable at 105⅛ in 2001. Fees 2⅛%. (Donaldson, Lufkin & Jenrette.)
Peugeot Finance Intl	$150	2000	6½	100.978	99.81	Reoffered at 99.828. Noncallable. Fees 1⅛%. (Banque Nationale de Paris.)
Pindo Deli Finance Mauritius	$450	2007	10¾	99.698	—	Semiannually. Noncallable. Also $100 million due in 2002 and paying 10⅜%, $100 million due in 2017 and paying 11⅛% and $100 million due in 2027 and paying 10⅞%. Fees 2⅛%. (CS First Boston.)
Saint-Gobain Nederland	$300	2002	6⅝	101.175	99.62	Noncallable. Fees 1⅞%. (Merrill Lynch Intl.)
World Bank	$100	2007	7.18	101.675	—	Callable at par in 1998. Fees 2%. (Barclays de Zoete Wedd.)
Rheinhyp Finance	DM500	2007	5⅝	101.45	98.73	Reoffered at 99.275. Noncallable. Fees 2⅛%. (Commerzbank.)
BA Credit Card Corp.	£400	2004	7⅛	99.729	—	Average life 5 years. Fees not available. Denominations £100,000. (Salomon Brothers Intl.)
Santander Intl	FF2,000	2007	5⅝	99.418	99.10	Noncallable. Fees 0.375%. (BNP Finance.)
Argentina	ITL750,000	2004	9¼	101.225	—	Interest will be 9¼% until 1999, thereafter 7%. Reoffered at 99¾. Issue may be redenominated in euros after EMU, in which case it will be fungible with outstanding mark- and schilling-denominated issues. Noncallable. Fees 1⅞%. (Deutsche Morgan Grenfell.)
Morgan Guaranty Trust	ITL750,000	2027	zero	12.90	12.65	Yield 7.065%. Reoffered at 12¼%. Callable at 25.133 in 2007. Proceeds 94.8 billion lire. Fees 2%. (Banca Commerciale Italiana.)
Oesterreichische Postsparkasse	ITL300,000	2012	9.30	101.47	100.05	Interest will be 9.30% until 2000, 5.40% until 2007, thereafter 6%. Reoffered at 99.77. Callable at par in 2007. Fees 2%. (Banca Commerciale Italiana.)
World Bank	ITL300,000	2000	5	101.02	99.87	Noncallable. Fees 1¼%. (Caboto Holding Sim.)
Depfa	DF250	2002	4¾	100.503	98.65	Reoffered at 98.903. Noncallable. Fees 1⅞%. (ING Barings.)
Baden-Wuerttemberg L-Finance	SP20,000	2007	5½	97.269	97.35	Noncallable. Issue may be redenominated in euros after EMU. Fees 0.20%. (Banco Central Hispanoamericano.)
Canada	NZ$500	2007	6⅝	99.245	98.85	Noncallable. Fees 0.325%. (TD Securities.)
Council of Europe	Y20,000	1999	5½	99.98	—	Semiannually. Redemption at maturity will be in pounds. Noncallable private placement. Fees 1½%. (Nomura Intl.)
Fannie Mae	Y100,000	2007	2⅛	99.633	99.60	Semiannually. Noncallable. Fees 0.325%. Denominations 10 million yen. (J.P. Morgan Securities.)
Nordic Investment Bank	Y20,000	2001	4.10	100.00	—	Semiannually. Redemption at maturity will be in dollars. Noncallable private placement. Fees 1½%. (Daiwa Europe.)
Inter-American Development Bank	HK$1,000	2000	6.70	100.00	—	Quarterly. Noncallable. Fees 0.20%. (HSBC Markets.)
European Bank for Reconstruction and Development	SAR3,000	2027	zero	3.31	3.20	Yield 11.95%. Noncallable. Proceeds 99 million rand. Fees 0.25%. (Hambros Bank.)
World Bank	SAR2,000	2017	zero	8.40	8.05	Yield 13.07%. Reoffered at 8.15. Noncallable. Proceeds 167.3 million rand. Fees 0.40%. (Deutsche Morgan Grenfell.)

The Week Ahead: World Economic Calendar, Sept. 29-Oct. 3

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Manila:** Internet World Philippines '97. Wednesday through Friday. Shangri-la Hotel. **Singapore:** "Tech Connect 1997" exhibition on technology, prototypes, patents and innovations. Monday through Wednesday. International Convention & Exhibition Center.	**London:** Adam Smith Institute sponsors "Wireless Communications in the Russian Federation." Monday and Tuesday. Gloucester Hotel. **Madrid:** State sale of up to 35 percent of the power company Empresa Nacional de Electricidad SA expected to begin.	**Pittsburgh:** AFL-CIO holds biennial convention. Monday through Thursday. **San Francisco:** Annual Virus Bulletin Conference — international program for computer security professionals. Thursday and Friday. Fairmount Hotel.
Monday Sept. 29	**Hobart, Australia:** Conference of Economists. **Tokyo:** Japan Automobile Manufacturers Association to release data on auto exports in August.	**Copenhagen:** Government to release second-quarter gross domestic product data. **Rome:** Istat to release June industrial production data.	**New York:** Northwest Airlines and KLM to hold news conference to discuss final details of their new alliance. **Washington:** Commerce Department to report personal income and spending data for August.
Tuesday Sept. 30	**Bangkok:** Bank of Thailand to announce monthly trade, investment and money-market data and official foreign reserves. **Tokyo:** Government to release industrial production and retail sales data for August.	**Paris:** Ministry of Labor to release unemployment data for August. **Rome:** Istat to release second-quarter gross domestic product data. Prime Minister Romano Prodi to present federal budget for 1998.	**Mexico City:** Central bank to announce foreign reserves. **Washington:** Federal Reserve Board's policy-setting Open Market Committee to meet on discuss interest rates; Commerce Department to report August new-home sales.
Wednesday Oct. 1	**Seoul:** Government to release trade data for September. **Tokyo:** The Bank of Japan to release its *tankan* survey of business sentiment; Ministry of Finance to announce foreign-currency reserves for September.	**Madrid:** National Statistics Institute to release September industrial price data. **Paris:** National Assembly to hold hearings with the governor of the Bank of France, Jean-Claude Trichet.	**Detroit:** Chrysler and General Motors to release September car and truck sales data. **Tempe, Arizona:** National Association of Purchasing Management to release its September purchasing managers' index.
Thursday Oct. 2	**Tokyo:** Management and Coordination Agency to release data on household spending in August.	**Copenhagen:** Government to release August unemployment data. **Oslo:** Statistics Norway to release August industrial production data. **Paris:** Bank of France monetary policy council meeting.	**Buenos Aires:** Government to release inflation and cost of construction data for September. **Washington:** Commerce Department to report August factory orders; Labor Department to report initial weekly state unemployment claims.
Friday Oct. 3	**Tokyo:** Labor Ministry to release job-to-applicant ratio data for August; Management and Coordination Agency to release employment data for August.	**Voorburg, Netherlands:** July consumer spending data scheduled for release. **Bern:** Federal Statistics Office to release retail sales data for August.	**Dearborn, Michigan:** Ford to release September vehicle sales data. **Washington:** Labor Department to issue September unemployment data; Commerce Department to report August housing completions data.

Last Week's Markets

Stock Indexes

	Sep. 26	Sep. 19	% Ch'ge
United States			
DJ Indus.	7,922.18	7,917.27	+0.06
DJ Util.	239.38	241.27	—0.78
DJ Trans.	3,163.11	3,208.80	—1.42
S&P 100	913.59	916.46	—0.31
S&P 500	945.20	950.50	—0.56
S&P Ind	1,105.33	1,111.92	—0.59
NYSE Cp	495.20	496.56	—0.27
Nasdaq Co	1,682.15	1,680.37	+0.11
Japan			
Nikkei 225	17,994.71	18,058.21	—0.35
Britain			
FTSE 100	5,226.30	5,023.80	+4.03
Canada			
TSE Indus.	6,971.30	6,982.70	—0.16
France			
CAC 40	2,985.63	2,977.18	+0.28
Germany			
DAX	4,060.78	4,032.97	+1.19
Hong Kong			
Hang Seng	14,710.87	14,384.13	+2.27
World			
MSCIP	955.86	949.15	+0.71

World Index from Morgan Stanley Capital Intl Perspective.

Money Rates

	Sep. 26	Sep. 19
United States		
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds rate	5⅝	5¾
Japan		
Discount	0.50	0.50
Call money	0.44	0.44
3-month interbank	0.54	0.54
Britain		
Bank base rate	7.00	7.00
Call money	7⅛	7.00
3-month interbank	7¼	7⅜
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
3-month interbank	3 5/16	3 5/16
Germany		
Lombard	4.50	4.50
Call money	3.08	3.22
3-month interbank	3.32	3.31

Gold	Sep. 26	Sep. 19	% Ch'ge
London p.m. fix $	326.65	323.00	+1.13

Euromarts

Eurobond Yields

	Sep. 26	Sep. 19	Yr high	Yr low
U.S. $, long term	6.50	6.50	7.09	6.48
U.S. $, mdm term	6.26	6.24	6.84	6.09
U.S. $, short term	5.99	6.04	6.51	5.96
Pounds sterling	7.11	7.19	7.75	7.09
French francs	4.96	4.92	5.05	4.66
Italian lire	5.84	5.96	7.79	5.79
Danish kroner	5.54	5.58	5.93	5.26
Swedish kronor	5.08	5.35	5.61	4.82
ECUs, long term	5.92	5.96	6.42	5.76
ECUs, mdm term	5.30	5.36	5.53	4.76
Can. $	5.55	5.53	6.51	5.53
Aus. $	5.95	5.99	7.86	5.92
N.Z. $	7.15	7.10	8.39	6.96
Yen	1.43	1.49	2.15	1.43

Source: Luxembourg stock exchange.

Weekly Sales

Sep. 25

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	18.0	87.4	695.5	572.3
Convert.	—	11.9	21.2	1,678.6
FRNs	1,034.4	1,486.9	488.4	719.7
ECP	13,553.2	9,703.4	13,378.6	10,901.4
Total	14,605.6	11,289.6	14,583.7	13,872.0

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	31,385.4	18,949.2	130,282.1	27,604.4
Convert.	840.3	1,788.5	2,779.7	4,485.3
FRNs	21,879.6	9,060.8	48,474.8	10,132.9
ECP	15,364.1	15,984.7	29,056.4	31,942.6
Total	69,469.4	45,782.4	210,593.0	74,165.2

Source: Euroclear, Cedel Bank.

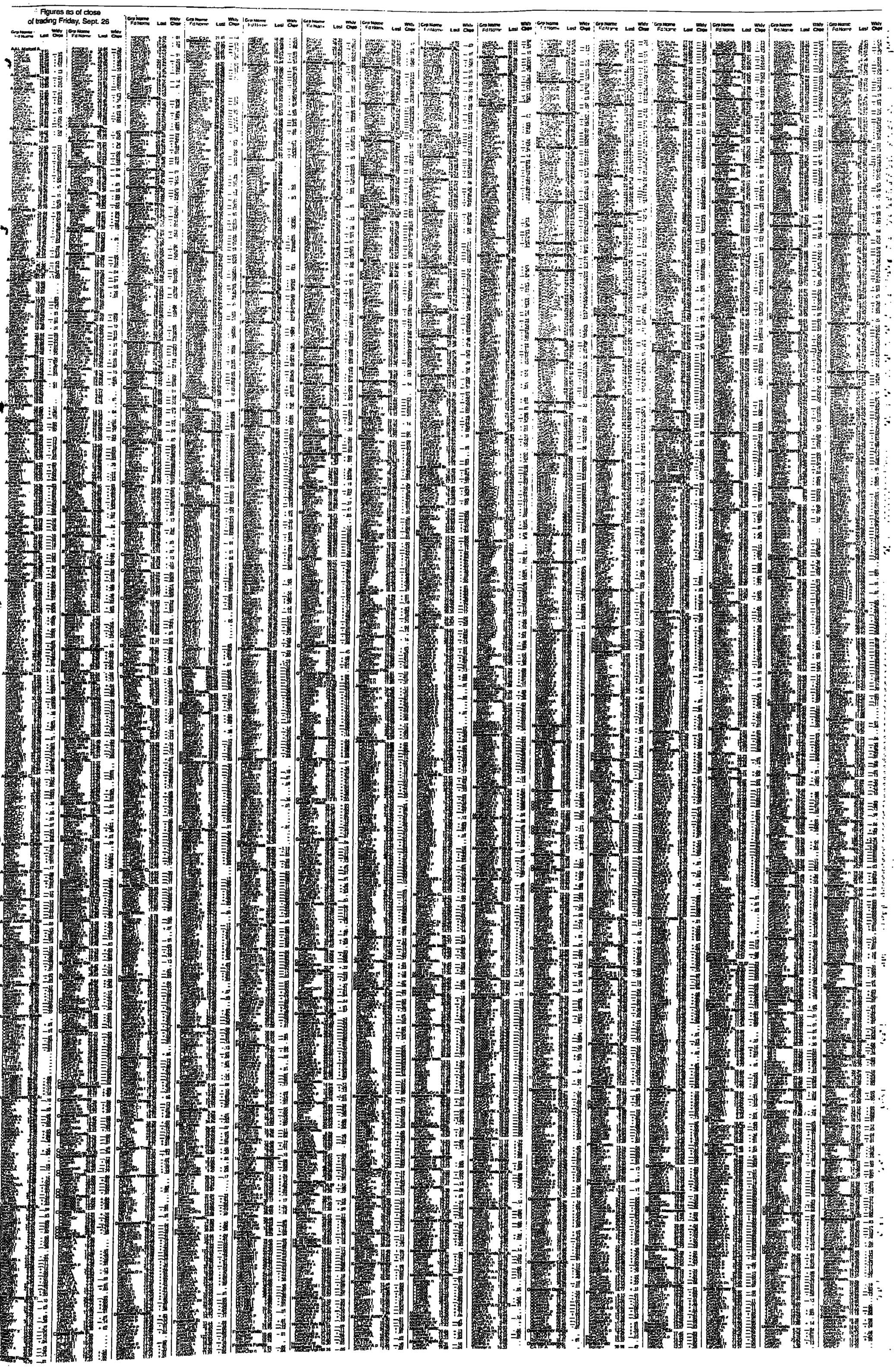
Libor Rates

	1-month	3-month	6-month
U.S. $	5⅝	5¾	5 13/16
Deutsche mark	3¼	3 5/16	3½
Pound sterling	7⅛	7¼	7⅜
French franc	3 5/16	3⅜	3½
ECU	4¼	4 5/16	4½
Yen	9/16	9/16	9/16

Sources: Lloyds Bank, Reuters.

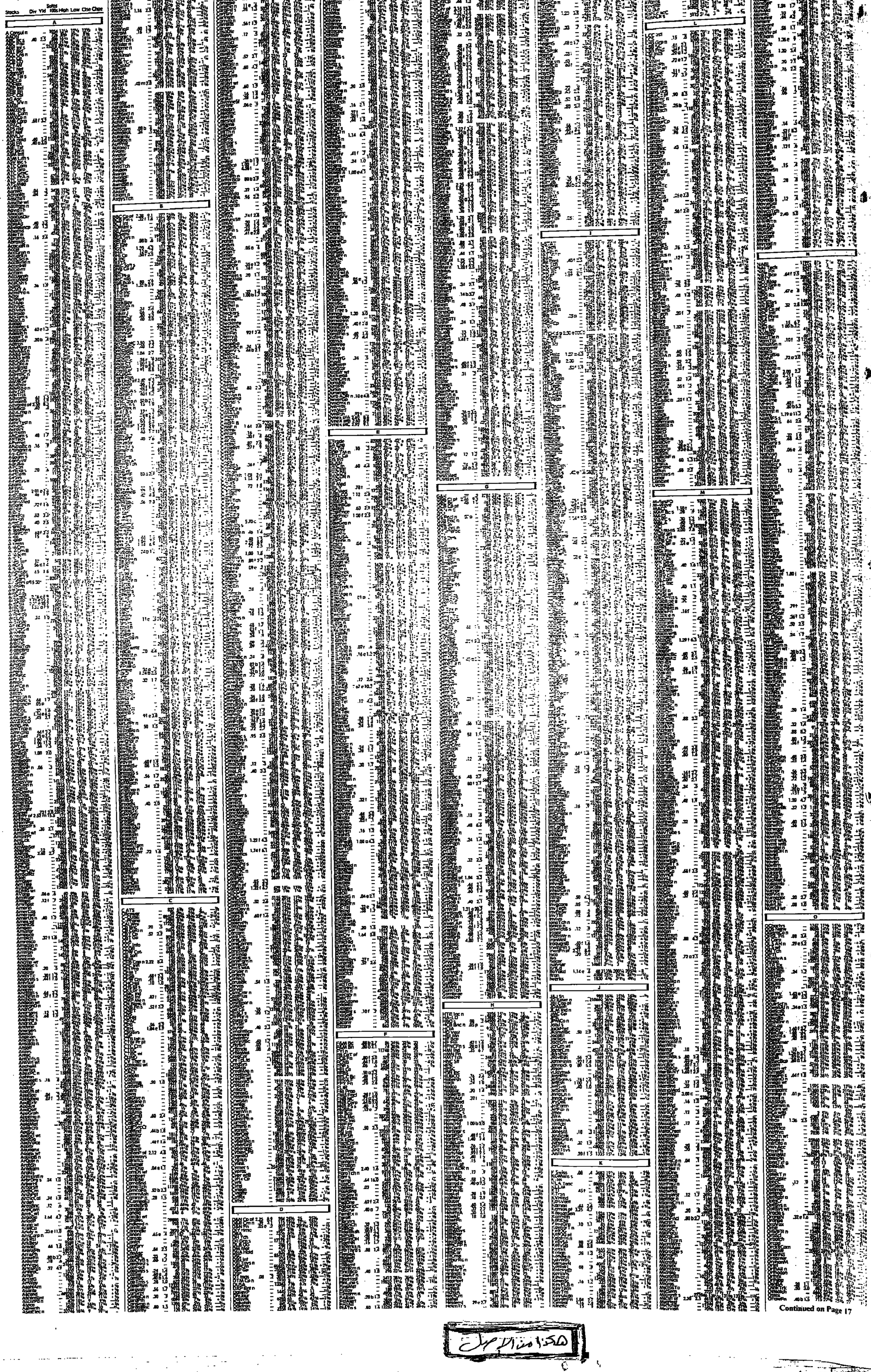
U.S. MUTUAL FUNDS

Figures as of close of trading Friday, Sept. 26



NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Sept. 26



Continued on Page 17

Kia's Chiefs Seek to Avert Receivership

Agence France-Presse

SEOUL — Directors of the ailing Kia Group in South Korea convened an urgent meeting Sunday on the future of their automaking business as the company's unions braced for an indefinite strike.

"All directors are up here for a marathon session to cope with possible court receivership," a Kia spokesman said.

The directors decided to fight a move by creditors to put the group under court receivership, which they said could come anytime after a grace period for loan repayments expired on Monday, he said.

"But they agreed to dissuade unionists from launching the strike, which may drive the situation into catastrophe," the spokesman said.

The move followed a court order late Saturday to freeze debt payments of Kia Motors Corp. and three other units, which filed for court protection from creditors last week.

Kia Motors's 15,000 workers walked out Saturday and called for a strike to begin Monday. Prosecutors warned that strike leaders would be arrested.

Kia has come near bankruptcy since it was put under an anti-insolvency pact in July. Its Kia Motors unit has 8.5 trillion won ($9.29 billion) of debt.

Peugeot Puts New Hands Behind the Wheel

Outspoken Chairman Calvet, 66, Will Be Replaced Wednesday by Little-Known Folz

Reuters

PARIS — After 13 years of steering the Peugeot car company, Jacques Calvet, one of France's most outspoken business leaders, will hand over the wheel Wednesday to the new chairman, Jean-Martin Folz.

Mr. Folz, 50, inherits a difficult job. He needs to turn PSA Peugeot Citroen and its aging, high-cost force into a lean, globally competitive company in less than three years — the date when the last European trade barriers against Asian carmakers are removed.

Investors, auto industry analysts and parts suppliers are waiting to meet the new chairman, who has kept a low profile since he joined the company two years ago as rumored heir-apparent.

"Nobody's met him," said a Salomon Brothers analyst, John Lawson. "He has not seen absolutely anyone either in his role as dauphin or as head of the auto division."

Mr. Folz's discretion partly reflects the reluctance with which Mr. Calvet is stepping down.

As recently as the auto show this month in Frankfurt, Mr. Calvet refused to confirm that he would leave at the end of the month.

His term expires at midnight Tuesday under company bylaws setting a maximum retirement age of 66 for the chairman.

Trade newspapers have reported that Mr. Calvet, still trim and energetic, lobbied the Peugeot family to change the rules but they declined. The family, which controls 35 percent of the voting rights, recruited Mr. Folz, who was managing director of the big food company Eridania Beghin-Say SA.

A graduate of France's Ecole des Mines engineering school, Mr. Folz has held jobs at the Industry Ministry, the chemicals company Rhone-Poulenc SA and the aluminum company Pechiney SA.



P. Bouvard/Agence France-Presse

Jean-Martin Folz, in the driver's seat.

Mr. Calvet also came to Peugeot in 1982 with no experience in the auto business and is credited with turning the company around and with cleaning up its balance sheet.

"Calvet has done a magnificent job of shoring up the PSA group in terms of sales, innovation and finances," said Noel Goutard, chairman of the company's largest parts supplier, Valeo SA.

He also succeeded in warding off foreign bids for important French parts suppliers, including Valeo, which was briefly eyed by General Motors Corp.

To most French people, Mr. Calvet was best known for his attacks on environmentalists, European Union bureaucrats, Japanese and South Korean carmakers and oil refiners.

"It is my nature to be noisy," he once said.

A tall, distinguished man with a droll sense of humor, Mr. Calvet is the only business personality to be regularly caricatured on French television's satirical puppet show, "Les Guignols de l'Info."

He began his career in 1957 as a government-appointed auditor after attending the Ecole Nationale d'Administration, regarded as turning out the cream of France's civil service.

He was chief of staff in 1970 to Valery Giscard d'Estaing, the conservative finance minister who later became president.

Mr. Calvet was given a job at the Banque Nationale de Paris, then owned by the state, in 1974 and became chairman in 1979. He quit three years later when the Socialists came to power and joined Peugeot.

He had big dreams for the company — he talked of a triumphant return to the United States and he wanted to pass GM to take second place in Europe after Volkswagen AG.

Neither came to pass, but he left on a strong note after reporting a better-than-expected profit of 564 million francs ($95.6 million) for the first six months of 1997.

Analysts say that Mr. Folz has a tough ride ahead of him.

"There are expectations that he will lead an acceleration of internal cost-reduction efforts that the company has embarked upon," said Mr. Lawson, the Salomon analyst.

Mr. Folz is also expected to have his hands full managing labor relations, particularly touchy in France now, and developing cooperative partnerships, a key to controlling costs.

SHORT COVER

U.K. Supermarkets Call Off Talks

LONDON (Bloomberg) — Asda Group PLC and Safeway PLC said Sunday that they had discontinued "exploratory" merger talks that would have created Britain's largest supermarket chain.

The statement came after the Sunday Telegraph newspaper said the two were in talks that would have catapulted Asda and Safeway ahead of the rivals Tesco PLC and J. Sainsbury PLC in the £80 billion ($128.46 billion) British retail food market.

Rexrodt Pushes Taiwan Train Bid

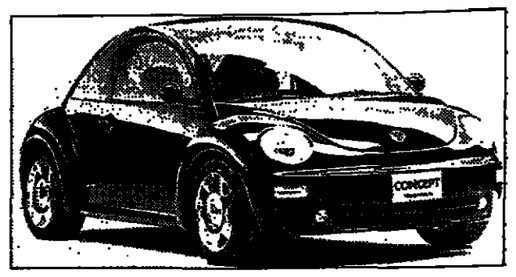
MAKUHARI, Japan (Bloomberg) — Economics Minister Guenter Rexrodt of Germany said Sunday that he would go to Taiwan on Monday to help Siemens AG and GEC Alsthom get part of a high-speed train project worth about $17 billion.

Mr. Rexrodt said there were already "signs" that Taipei was favoring a group that includes the European companies.

Ford Gets New Chief Auto Designer

DEARBORN, Michigan (NYT) — One of Detroit's most influential auto designers of recent times is retiring, and Ford Motor Co. will hand over his responsibilities to a promising young designer.

Jack Telnack, 60, Ford's vice president for global design since 1987 and a designer at the company for nearly 40 years, will leave Ford at year-end. He is credited with the acclaimed design of the original 1986 Taurus, which helped to rescue the then-struggling company and established a trend toward sleek, aerodynamic styling that has been widely copied in the industry.



PRNewsFoto

The Volkswagen Concept 1, designed by J.C. Mays.

His replacement will be J.C. Mays, 42, an American who is credited with creating the Volkswagen Concept 1, the prototype for the revived Volkswagen Beetle that will go on sale early next year.

Most recently, Mr. Mays was vice president for design development at SHR Perceptual Management, an Arizona design consulting firm that has worked with Ford.

MGM Creates 'Independent' Unit

LOS ANGELES (AP) — Metro-Goldwyn-Mayer Inc. is forming a unit to acquire and produce independent films.

The company said Friday that Goldwyn Films would be charged with finding movies made outside the Hollywood system. It will be based in London and will distribute its movies through MGM's existing distribution and marketing team.

British Soccer Is Going Global

LONDON (Reuters) — The British premier league soccer club Manchester United PLC is in talks with Far Eastern licensees to build a chain of up to 50 company stores throughout the region, the Sunday Telegraph reported.

A Revitalized Oshkosh Looks Overseas and to Licensing

By Richard Korman
New York Times Service

The name Oshkosh B'Gosh conjures up images of toddlers dressed like farmhands, clambering around the swing set in overalls. Behind that look is a 102-year-old, family-run Wisconsin company that rode the affluence of the 1980s to become the biggest and best-known brand in children's clothing.

Late in that decade, however, Oshkosh B'Gosh's magic faded like often-washed denim. Led until the early 1990s by C.F. Hyde, a member of one of its founding families, the company failed to capitalize fully on its powerful brand name.

It was also slow to move production overseas and to update its shipping — and the stock price meandered for years in the mid-teens.

The tide may be turning. A few years ago, C.F. Hyde's son, Douglas, 47, took over as chief executive; another Hyde family member, Michael Wachtel, 43, is now the chief operating officer. The two have improved the company's efficiency and have recently been seeking licensees.

The price of the company's class A shares has risen substantially, from about $15 in mid-April to $26.75 on Friday.

The founding families, the Hydes and the Wymans, hold about 17 percent of the A shares, along with 87 percent of the class B shares, which control seven of the nine board seats.

To be sure, Oshkosh B'Gosh, which gets its name from an old vaudeville line, has a long way to go. The recovery efforts, for instance, have produced only modest profits — $3.7 million in the first half of 1997, in contrast to a loss of $6.4 million a year earlier. Because of store closings and other initiatives, sales fell to $168 million, from $203 million.

And the apparel industry has changed greatly in recent years, with

INVESTING

tightfisted consumers refusing to buy until retailers put up the sale signs.

Because children's clothing is often bought as gifts, Oshkosh may be less sensitive to this price pressure, yet its emphasis on high-quality, fairly expensive goods — a pair of toddler's overalls costs about $26 at full price — makes it vulnerable.

In many other ways, however, Oshkosh has become stronger. By closing two domestic sewing plants, moving much production overseas, increasing reliance on subcontractors and cutting inventory through the use of more precise shipping systems, it has trimmed expenses.

Based on such efforts, Amor Towles, an analyst at Select Equity Group, estimated that Oshkosh's per-share earnings would rise 23 percent, from $1.65 in 1997 to $2.03 in 1998.

Mr. Towles offers a different reason for the underpricing. He says the Oshkosh recovery has gone partly unnoticed because many analysts and brokers stopped following the company during its troubled years.

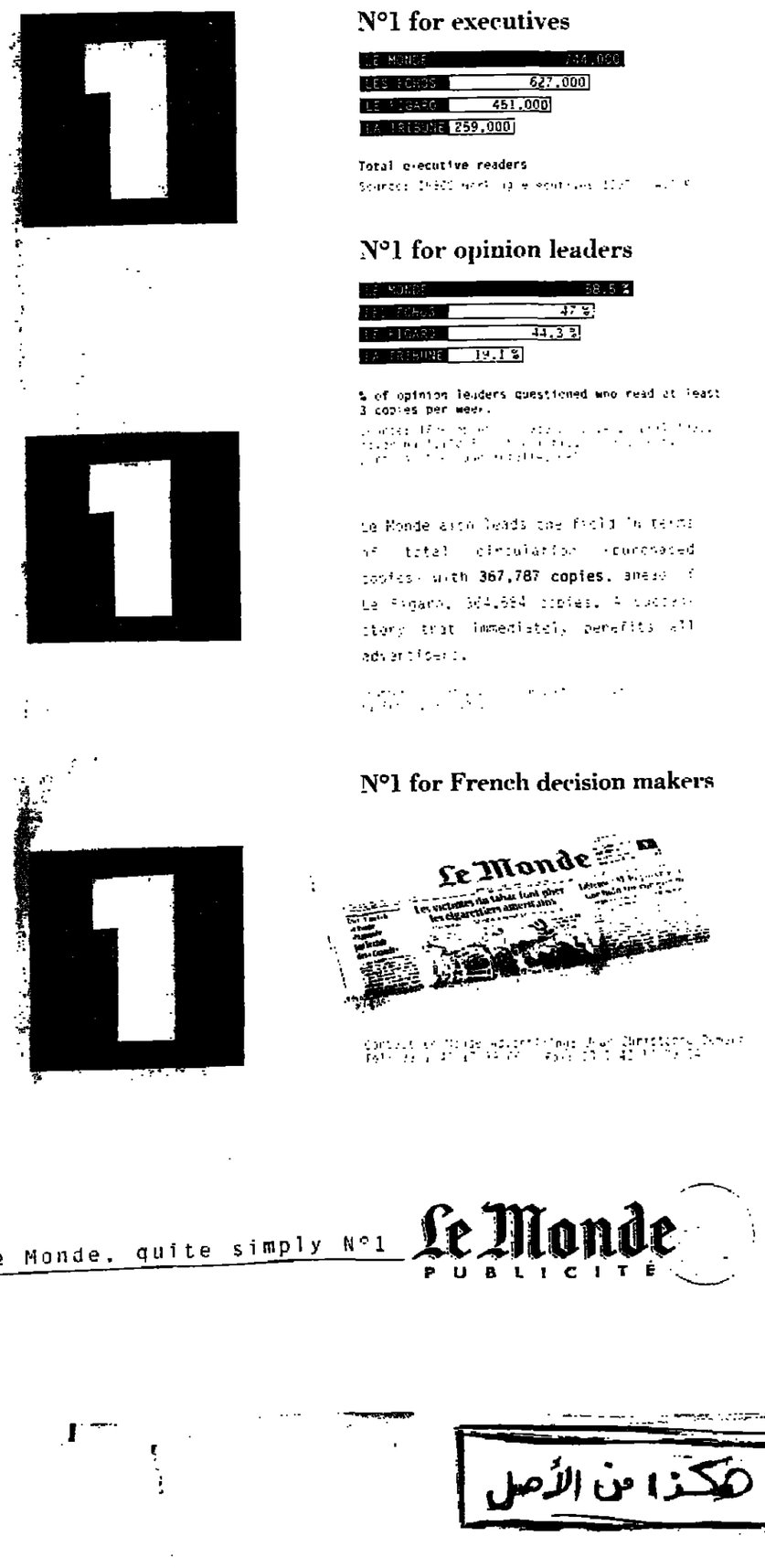
An industry pattern of steady sales growth should also help Oshkosh. Domestic sales of children's apparel rose from about $22 billion in 1992 to about $28 billion in 1996.

Oshkosh is making an international push, too. Foreign sales account for about 25 percent of revenue but could reach 50 percent by 2002, Mr. Hyde said.

In a 1996 survey by the Total Research Corp., 2,000 consumers were asked to rank 182 brands of varying kinds of products in terms of quality. Oshkosh ranked ninth in the poll, ahead of household names like Lego, Nike and IBM.

"The brand has exceptional equity and people would kill to have it," said John Morton, senior vice president of Total Research.

Oshkosh wants to license the use of its name for such products as strollers, toys, books and videos, an arrangement with the potential to produce cash with little investment.





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CAREERS

Late Bloomers Drop Out of the Rat Race to Plunge Into Teaching

By Sana Siwolop
New York Times Service

DAVE Moss had just received a promotion and a 19 percent increase in salary when he quit his banking career at age 35. Instead, Mr. Moss, who had been working as a commercial loan officer, began pursuing a 15-year dream: becoming a teacher.

He had three teenage children at the time, and he needed 18 months to obtain his teacher's certificate. The switch also meant a 60 percent cut in pay, to a starting salary of $18,500. But five years later, he does not regret it.

"I'll never make the money in education that I probably could have made as a banker," said Mr. Moss, who lives in Sandy, Utah, and teaches the fourth grade. "But after I found something that I really enjoyed doing, our family realized, amazingly, that we didn't miss the money."

Career switching is not new to the teaching business. But it has become more popular lately, amid growing concerns over teacher shortages in some areas. And teachers' pay is starting to keep pace with inflation.

Today, the typical career switcher into teaching has been out of college for 8 to 10 years. But more of these new teachers are men, and more are people in their late 50s or their 60s. And while new teachers still tend to come directly out of college, the number of career switchers has probably doubled in the last 15 years, to perhaps 50,000, education experts said.

People who want to make the switch can choose among 300 programs across the United States, half of them created since 1990. The largest is the Troops to Teachers program, for military personnel; it has produced 2,300 teachers since 1994. There are also programs for physicists, retired engineers, returning Peace Corps volunteers and "para-educators" like teacher's aides.

Some people are still enrolling in alternative certification programs that take just a few weeks; school districts started offering more of these programs in the early 1990s to deal with teacher shortages.

But about three-quarters of the career switchers, education experts say, are turning to programs that are usually considerably longer and often exhaustingly intense, but that steep students in teaching theory, child-development courses and classroom experience.

Educators applaud the interest. They say many school districts prefer career switchers as teachers, and for several reasons: They tend to bring more maturity, self-confidence and self-discipline to the job, and they are less likely to leave the profession.

Still, educators caution, a career as a teacher is not for everyone. Those who are happiest with the change, they say, have usually made a realistic assessment of their skills and have some experience working with children or schools.

"People often think that just because they're good at working with people that they're right for this," said Michael Andrew, director of teacher education at the University of New Hampshire. "But they often underestimate the emotional and mental stress of the job, and often they don't have the abilities to relate effectively with today's multicultural, pluralistic classroom."

Mr. Moss said: "If large purchases, money and titles are important to you, teaching is not the way to go. People who are stuck in a 9-to-5 habit or who look at it as just a job shouldn't consider it too strongly, either. In my case, I'm working with 26 different personalities during the day, and I have to take the time to deal with each personality individually."

For David Krane, an elementary-school teacher in Lexington, Massachusetts, the decision to switch careers also took a big bite out of his family's income.

Mr. Krane, 43, had worked as a carpenter and building contractor for almost 20 years before September 1996, when he became a full-time student in an intensive yearlong teacher training course at the Shady Hill School in Cambridge, Massachusetts. He had run a successful business, but found himself "running from job to job, doing more management and less hands-on building."

Luckily, Mr. Krane's wife was able to increase her earnings, to help offset the loss of income. But Mr. Krane, who has two daughters, 5 and 8, still had to borrow almost $8,000, as well as tap into his savings for a few thousand dollars a month. "It began to get quite dicey toward the end," he said.

'If large purchases, money and titles are important to you, teaching is not the way to go. People who are stuck in a 9-to-5 habit or who look at it as just a job shouldn't consider it too strongly, either.'

Pablo Millares encountered some of the same difficulties. Once a bill collector for American Express Co., Mr. Millares, 35, is now happily teaching kindergarten in North Miami Beach, Florida.

BUT to reach his goal, Mr. Millares had to obtain an $8,000 education loan and spend three years going to school on Saturdays and in the evenings. Even after he finished his courses, he still had to take a leave of absence from his collection job to finish a nine-month internship.

Now, rather than spending his day on the phone, Mr. Millares teaches up to 44 kindergarteners at a time.

"The biggest change I had was suddenly becoming my own boss," he said. "I was the one running the factory, so to speak, and to these kids, I was a friend, a psychiatrist and Mom and Dad all rolled into one.

"I didn't have gray hair when I started teaching," he added.

Mr. Millares was lucky in finding a job: Just three weeks into his internship, he was hired by the school where he was working. But Mr. Krane had a tougher task. While interviewing for a job in a multi-age classroom — a teaching approach that mixes students of slightly different ages — he discovered that there were 350 to 500 applicants for each job.

After sending out more than 100 letters, Mr. Krane eventually landed a job, teaching a class of first and second graders. But many of his friends, he said, had to work outside of Massachusetts, because so many universities in the Boston area churn out new teachers each year.

Education experts advise career switchers to assess training programs carefully. David Haselkorn, president of Recruiting New Teachers, a nonprofit group in Belmont, Massachusetts, said that more than 40 states offer alternative certification programs intended to license teaching candidates who already hold bachelor's degrees and have expertise in a particular subject.

But, he added, these programs vary widely. Some require just nine additional hours of graduate course work, while others require obtaining a master's degree and extensive field work.

"Some of these programs are just emergency programs with fig leaves," he said.

Linda Darling-Hammond, a professor at Teachers College at Columbia University, said: "We've found that the programs that are the most successful are those that are usually launched by universities and that have created strong partnerships with local schools. These programs combine intensive course work in learning theory, child cognition and development with internships with master teachers at local schools."

She added: "The programs that fail are the four- to six-week summer programs, where there's just enough time for orientation and learning tricks of the trade. With these programs, students often obtain very little knowledge of how kids develop, and they also get no special-education training, even though classrooms now average two students with learning disabilities apiece. As a result, students usually run out of teaching tools by the second week of school."

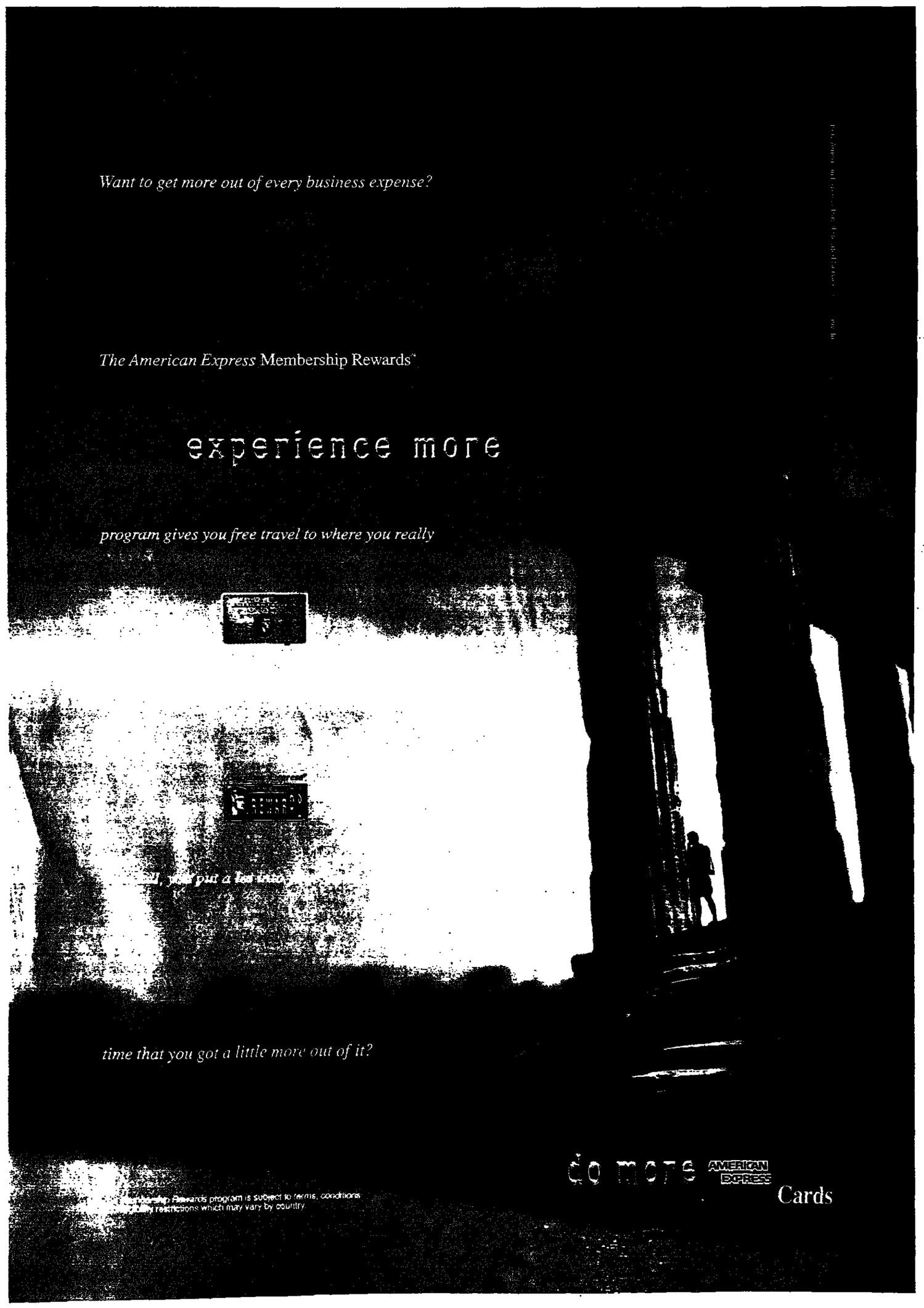
MS. DARLING-HAMMOND said career switchers who completed longer, more intense certification programs were about three times as likely to stay in teaching as new college graduates. But career switchers who chose the quick programs had a higher dropout rate: 20 percent to 50 percent leave after the first year. By contrast, career switchers who train well have an attrition rate of about 5 percent.

"School districts think they're saving money with these programs, but a lot of them are penny wise and pound foolish," Ms. Darling-Hammond said.

Still, for many switchers, training well can be taxing. At the teaching training program at the University of New Hampshire, students first endure a wilderness week in the White Mountains that, like many Outward Bound programs, helps them adapt problem-solving methods to the classroom.

After that, they are required to run a five-week summer school for elementary and secondary students and complete a yearlong internship.

"This is basically a full-time commitment," Mr. Andrew said. "Most mid-career people have saved up to do this."



YEN: *Currency Heads for Storm*

Continued from Page 11

looms as a major test of this thesis, and analysts expect it to be gloomy.

The report will also coincide with the start of the second half of the year for Japanese companies. The run-up to the Sept. 30 closing for first-half reports is traditionally a time of yen strength as companies repatriate overseas profits to enhance results — and may account for the recent calm in the foreign-exchange market.

While a weaker yen would clearly exacerbate trade relations with Washington, a stronger yen would clearly damage the Japanese economy, since rising exports are the only buoyant sector of the economy.

But without a change in fiscal policy — deemed unlikely as the Japanese government has staked its reputation on reducing its deficit, the largest among the major industrialized countries — "the only way to kick-start an economy already on its knees is to allow the currency to depreciate," said Mr. Koll. "The choice is capital outflow and currency depreciation or an implosion of the economy."

Mr. Koo sees the same stark choice, but he fears implosion. He reports hearing that Japanese officials are quietly telling investors not to buy dollars because the yen is headed higher. "In addition to talking up the yen," he said that officials were "said to be considering outright intervention."

The real danger in this policy of discouraging investment outflows, said Mr. Koo, is that the ever increasing inflow of dollars earned via the trade surplus and brought home could drive the yen significantly higher — back to the 1995 high of 80 yen per dollar. With the dollar below 104 yen, Japanese manufacturers lose money on exports, many analysts say.

"It's only thanks to foreign investors that the yen has not appreciated so far," Mr. Koo said.

International investors are big players of the "carry trade" — borrowing yen at 0.5 percent and investing the money abroad. Analysts report this trade is rising, currently estimated at just under $40 billion, but still below the record levels seen early this year.

The dilemma for Japan, Mr. Koo says, is that the government is intent on justifying its decision to raise taxes this year to reduce the budget deficit.

"It's nuts, but one silly position leads to another," he said, alluding to threat of government intervention to push up the yen to placate Washington. "If the fiscal policy is totally out of step with what's needed, and if they can't fix fiscal policy to something that is needed, then one misstep leads to another."

Gloomily, he predicted that it would take a collapse of the stock market — devastated by a runaway appreciation of the yen — to get the government to reconsider its fiscal restraint.

PHONES: *The Sell Version*

Continued from Page 11

can last only 15 minutes, but subscribers pay nothing to dial a local number, with the cost covered by advertisers' fees. Domestic long-distance calls cost 70 percent of the usual rate; international calls are not included.

Mr. Balestri acknowledges that he was inspired, at least in part, by Gratistelefon and its founder, Carl Ander, who says he came up with the idea about two years ago.

"I always thought that somehow, in the future, telecommunications and the media would be increasingly closely linked," Mr. Ander said.

"So I thought that if people call in and hear a message, maybe they could get, say, 10 minutes for free."

MEDIOLANUM SELECTIVE FUND

Unit trust in liquidation
Luxembourg, 11, rue Aldringen

NOTICE TO UNITHOLDERS

The Management Company as liquidator of the above mentioned investment fund resolved on 2 September 1997 to declare a final liquidation dividend of ECU 2,03 per unit class B (capitalisation) of the sub-fund-ECU, payable as from 8 October 1997, against presentation of the unit certificate at Kredietbank S.A. Luxembourgeoise, 43, boulevard Royal, L-2955 LUXEMBOURG

The Unitholders of Mediolanum Selective Fund (in liquidation) are hereby informed that the following reports are or will be available upon request at the registered office of *Mediolanum Management Company S.A.* (11, rue Aldringen L-1118 Luxembourg)

The financial statements and audit report of the investment fund as at 31 December 1996;
The liquidation report of the investment fund as at 31 December 1996;
The audit report of the investment fund covering the period from 1st January 1997 to 2nd September 1997;
The annual report and the report of the auditor of *Mediolanum Management Company S.A.* as at 31 December 1996.

At the close of the liquidation procedure on 10 November 1997, any balance of liquidation proceeds will be deposited in escrow with the Caisse des Consignations in Luxembourg. On completion of the liquidation, the accounts and the records of Mediolanum Selective Fund will be deposited and kept for a period of five years at the offices of Kredietrust 11 rue Aldringen, L-2960 Luxembourg.

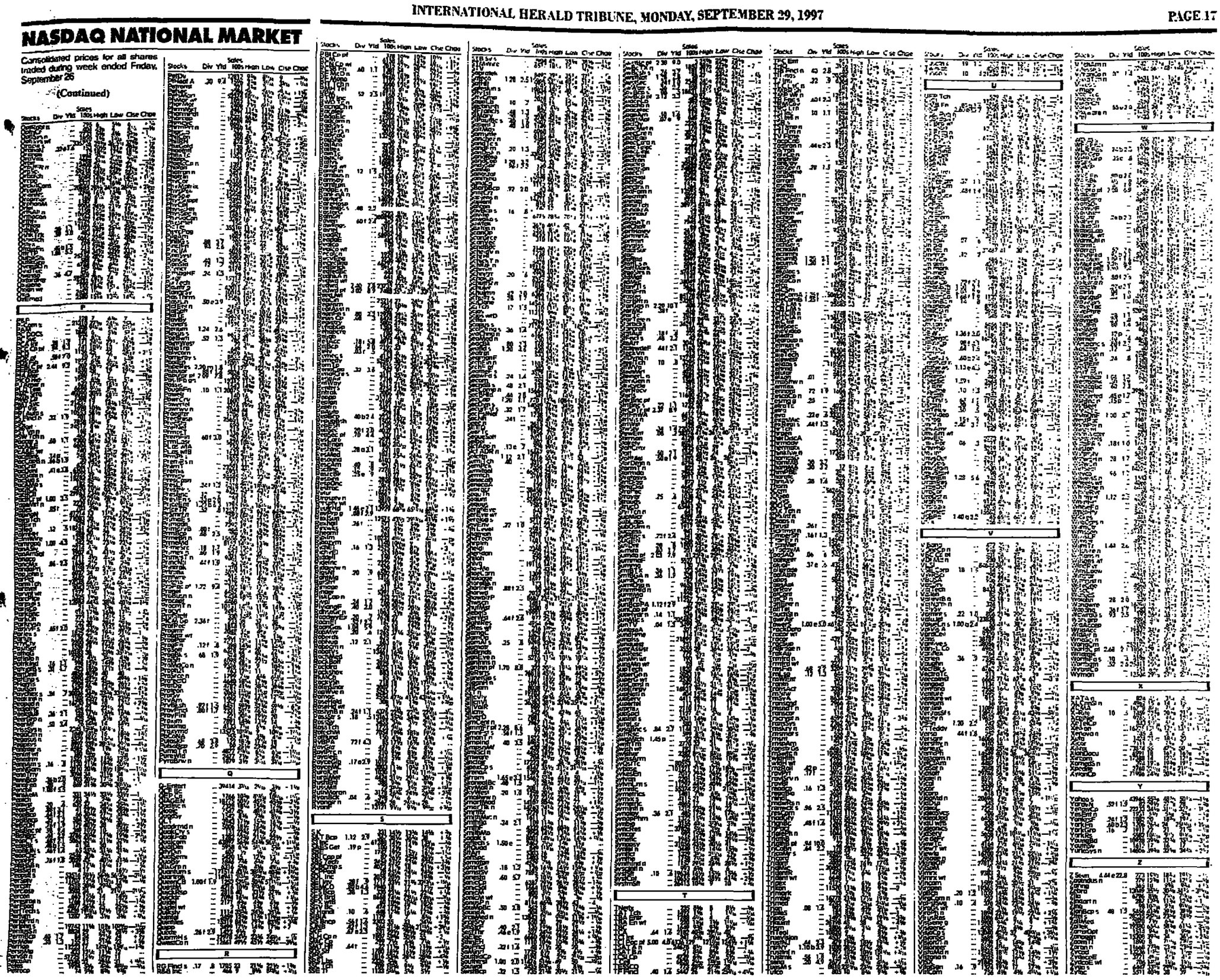
By order of the Board of Directors of
Mediolanum Management Company S.A.

هكذا من الأصل

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, September 26

(Continued)



DENNIS THE MENACE



"DON'T WORRY, JOEY. WHATEVER'S HIDING UNDER THE BED IS JUST AS SCARED OF US AS WE ARE OF IT!"

JUMBLE.

THAT SCRAMBLED WORD GAME by Mundi Arnold and Millie Angleton

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

LAIDY

KEDAC

CANVAT

HIGLES



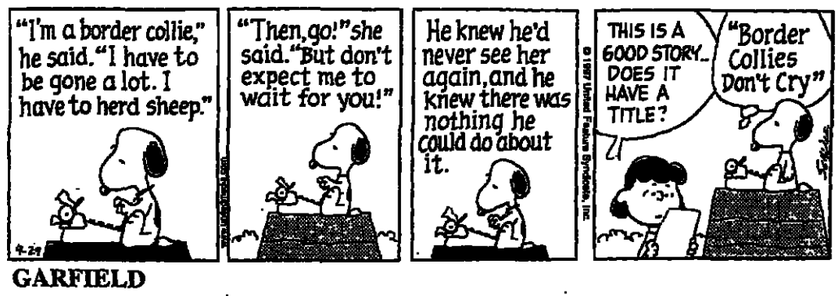
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here : A

(Answers tomorrow)

Saturday's Jumbles: GUMBO BRAVE SUCKLE VERMIN
Answer: A new computer inevitably has one of these — A CURSOR

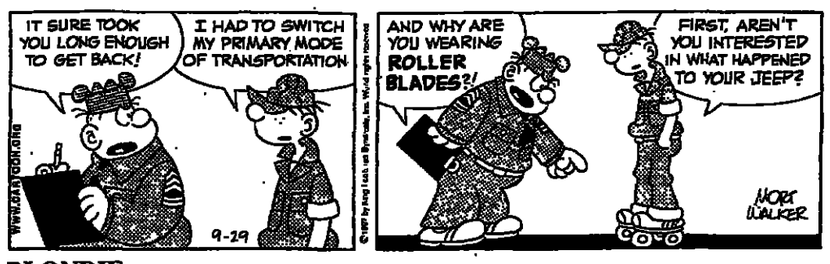
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GARFIELD



BEETLE BAILEY



BLONDIE



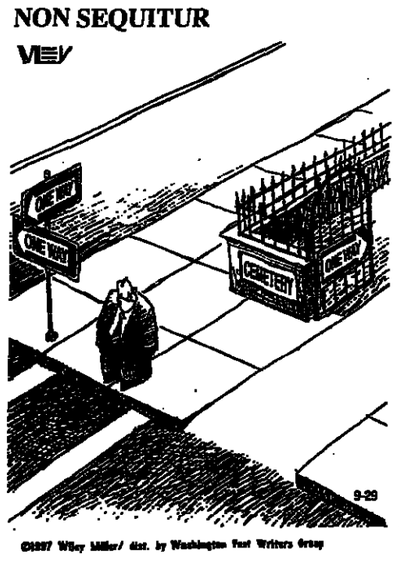
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ITALY	ITL	145,600	58,000	60%
JAPAN	¥	26,000	12,150	53%
MALAYSIA	RM	182	101	44%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	S$	145	82	43%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	932	350	58%
SWITZERLAND	CHF	166	66	60%
USA	$	78	43	45%

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SPORTS

Koreans Surge Past Flatfooted Japan, 2-1

Compiled by Our Staff From Dispatches

South Korea scored twice in the final five minutes to beat Japan, 2-1, on Sunday in Tokyo in the final stage of Asia's last qualifying round for next year's World Cup finals in France.

The two countries will be co-hosts of the 2002 World Cup.

The match, played before a capacity crowd of 57,000 at Tokyo's National Stadium, left South Korea with a maximum nine points from its three matches in Group B, five points ahead of Japan and two points ahead of the second place United Arab Emirates.

Japan took the lead in the 68th minute when Motohiro Yamaguchi dribbled past two defenders and lobbed the ball into the net over onrushing goalie, Kim Byung Ji.

A substitute, Seo Jung Won, tied it in the 85th minute, heading home a shot during a melee in front of the goal. Three minutes later, the midfielder Lee Min Sung raced down the left side and rocketed a shot from 25 meters (27 yards) past the goalie Toshikatsu Kawaguchi.

On Saturday in Tashkent, Uzbekistan lost to the United Arab Emirates, 3-2, in another Asian Group B match.

ENGLAND Blackburn Rovers, one of the early season pacemakers in the Premier League, drew against Coventry on Sunday, 0-0. Neither team could score, but both had a player sent off.

Coventry's Dion Dublin was ordered off in the 42d minute after apparently elbowing Blackburn's Colin Hendry as they jumped for a header.

But the home team failed to take advantage of its numerical superiority, and in the 69th minute the teams were back on an even footing when Jason Wilcox received a red card for kicking Michael O'Neill in an off-the-ball incident. Blackburn is three points behind Arsenal, the leader, which drew 2-2 at Everton.

The Arsenal striker Ian Wright scored his eighth goal of the season, in the 32d minute, and seven minutes later set up a goal for Marc Overmars.

But two 17-year-old strikers, Michael Ball and Danny Cadamarteri, scored in the second half to earn Everton a draw.

Manchester United, the reigning champion, is a point behind Arsenal after losing at Leeds, 1-0. David Wetherall scored the winner in the 34th minute.

ITALY Silvio Berlusconi, the president of AC Milan, was despairing Sunday after he watched his club lose at home, 1-0, to Vicenza in serie A.

"What do you want? To show my tears on live television," he said, fending off journalists immediately after the former European champion's second successive league defeat.

Arturo Di Napoli's superbly flighted free kick, scored in the 50th minute against the run of play, meant Fabio Capello's team has yet to win a serie A match this season.

Despite rebuilding at great expense over the close season, Milan, four times champions in the past six years, languish fifth from bottom with two points from four matches.

They are already 10 points adrift of arch-rivals Inter Milan, on top with a maximum 12 points, following Saturday's impressive 5-1 victory at Lecce.

Milan had dominated, with the Brazilian midfielder Leonardo hitting the bar with a free kick in the eighth minute and Paolo Maldini's 40th minute header tipped over by Pierluigi Brivio. But after conceding a set-piece goal for the fourth match in succession, Milan never recovered its composure.

The contrast with Inter, which won with two goals each from Ronaldo and Youri Djorkaeff on Saturday, was striking. Inter is two points clear of Parma, 4-0 winners over Udinese on Saturday.

SPAIN Barcelona maintained its two-point lead over Real Madrid on Saturday as both sides scored comfortable away wins.

Luis Enrique and Rivaldo scored twice each to give Barcelona a 4-1 win at Sporting Gijon, while Raul and Predrag Mijatovic scored for Real in the 2-0 victory at Valencia.

Another title contender, Atletico Madrid, struggled to a 3-3 draw at home to Celta Vigo.

GERMANY Kaiserslautern's seven-game unbeaten streak was halted Saturday when visiting Werder Bremen upset the Bundesliga's top team, 3-1. In another surprise, champion Borussia Dortmund lost at home to 1860 Munich, 3-2. Kaiserslautern stayed on top of the league, two points ahead of Bayern Munich, which drew, 1-1, at home Friday against Schalke.

NETHERLANDS Tijjani Babangida's seventh goal of the season gave Ajax Amsterdam a 1-0 victory over second-place Heerenveenon. *(AP, Reuters)*



Atsushi Tsukada/The Associated Press

Korea's Ko Jung Woon, left, trying to get around a Japanese defender.

Redskins' Cornerbacks Shine In 24-12 Victory Over Jaguars

Giants Defeat Saints as Wheatley Runs Out the Clock

The Associated Press

Thwarted by a pair of aging cornerbacks, Mark Brunell had nowhere to throw the ball.

With 37-year-old Darrell Green and 32-year-old Cris Dishman batting balls away from Jacksonville's top receivers, the Washington Redskins held the league's top-scoring offense without a touchdown and halted the Jaguars' eight-game regular-season winning streak with a 24-12 victory on Sunday in Landover, Maryland.

Green held Jimmy Smith, who had 100-plus yards receiving in each of his first three games this season, to four catches for 52 yards. Green fought off Smith and used his left hand to knock the ball in the air, causing the interception that led to the go-ahead touchdown in the second quarter for the Redskins (3-1).

Then, late in the game, with the score 17-12 and Brunell hoping for a come-from-behind fourth-quarter drive, Dishman punched a pass away from Keenan McCardell to cause an interception that set up an insurance TD.

While Brunell struggled for Jacksonville (3-1), completing 16 of 31 passes for 153 yards and two interceptions, Washington's Gus Frerotte survived a shaky start to have one of the best games of his career.

Frerotte lost a fumble on the first play from scrimmage and later threw an interception deep in his own territory, but he threw two touchdown passes to Leslie Shepherd and one to Jamie Asher. He finished 16-for-24 for 244 yards.

Washington's Terry Allen, playing with a cast on his broken left thumb, rushed for 122 yards on 36 carries.

The Jaguars came in averaging 32.7 points per game, but Brunell frequently had to forgo attempts to Smith and McCardell and instead dump the ball off over the middle or eat it for a sack.

Jacksonville had its opportunities early. Twice in the first half, the Jaguars started a drive at the Redskins' 20-yard line or closer after a turnover, but couldn't get the ball in the end zone.

Giants 14, Saints 9 The Giants' new coach, Jim Fassel, still hasn't been able to get his offense completely untracked.

But against the New Orleans Saints, Dave Brown's two touchdown passes and some clutch running by Tyrone Wheatley to kill out the clock allowed the Giants to snap a three-game losing streak with a 14-9 victory on Sunday in East Rutherford, New Jersey.

Brown, who was 16 of 25 for 194 yards, threw first-half touchdown passes of 32 yards to Kevin Alexander and 14 to Chris Calloway as New York (2-3) edged the Saints (1-4).

Doug Brien kicked field goals of 36, 32 and 39 yards, the latter bringing the Saints within five points with 9:19 to play.

New Orleans had a chance to take the lead when cornerback Alex Molden sacked Brown on a blitz and forced a fumble. Defensive end Darren Mickell returned it 11 yards to the Giants 35 with 5:44 to play.

Heath Shuler, who was 16 of 31 for 203 yards, moved New Orleans to the Giants 24. However, cornerback Jason Sehorn blitzed and tackled Mario Bates for a 2-yard loss on a run, and linebacker Corey Widmer sacked Shuler for an 8-yard loss on a blitz on the next play.

After an incomplete pass, the Saints' coach, Mike Ditka, elected to punt on fourth-and-20, and Mark Royals backed up the Giants to their 3.

Wheatley, who got playing time because Tiki Barber sprained his right knee in the second half, then killed the Saints. He ripped off runs of 15, 13 and 9 yards to help New York run out the final 3:38.

The Giants 1995 first-round draft pick finished with 11 carries for 60 yards. He had 49 yards on 19 carries in the first four games.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
x-Baltimore	97	64	.602	—
w-New York	95	66	.590	2
Detroit	79	82	.491	18
Boston	78	83	.484	19
Toronto	75	86	.466	22
CENTRAL DIVISION				
x-Cleveland	86	74	.538	—
Chicago	79	81	.494	7
Milwaukee	78	82	.488	8
Kansas City	67	93	.419	19
Minnesota	67	94	.416	19½
WEST DIVISION				
x-Seattle	90	71	.559	—
Anaheim	84	77	.522	6
Texas	76	85	.472	14
Oakland	64	97	.398	26

x-clinched division title
w-clinched wild card

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
x-Atlanta	101	60	.627	—
w-Florida	92	69	.571	9
New York	87	74	.540	14
Montreal	78	83	.484	23
Philadelphia	67	94	.416	34
CENTRAL DIVISION				
x-Houston	84	77	.522	—
Pittsburgh	78	83	.484	6
Cincinnati	75	86	.466	9
St. Louis	72	89	.447	12
Chicago	68	93	.422	16
WEST DIVISION				
x-San Francisco	90	71	.559	—
Los Angeles	88	73	.547	2
Colorado	82	79	.509	8
San Diego	75	86	.466	15

w-clinched wild card
x-clinched division title

FRIDAY'S LINESCORES
AMERICAN LEAGUE

Minnesota 010 000 100—2 12 0
Cleveland 300 121 00x—7 8 1
Radke, Swindell (5), Guardado (7), Ritchie (8) and Steinbach; Ogea, Jacome (6), Morman (7), Plunk (8), Mesa (9) and S.Alomar. W—Ogea 8-9. L—Radke 20-10. HRs—Cleveland, S.Alomar 2 (21), T.Fernandez (11).

Boston 000 000 000—0 10 0
Toronto 000 012 00x—3 4 0
B.Henry, D. Lowe (6), Mahay (8) and Hatteberg; W.Williams, Plesac (8), Escobar (9) and B. Santiago. W—W. Williams 9-14. L—B. Henry 7-3.

New York 001 000 070—8 10 1
Detroit 002 000 000—2 1 0
Pettitte, Boehringer (5), M.Rivera (8), Nelson (9) and Girardi, Posada (7); Ju.Thompson, Brocail (8), To.Jones (8), M.Myers (9), Miceli (9) and Casanova, Walbeck (9). W—M. Rivera 6-4. L—To.Jones 5-4. HR—New York, Stanley (15)

Kansas City 000 200 000—2 7 1
Chicago 030 031 00x—7 9 1
Appier, De la maza (6), Carrasco (8) and Macfarlane; Sirotka, N.Cruz (8) and Karkovice, Fabregas (8). W—Sirotka 3-0. L—Appier 9-13. HRs—Kansas City, J.King (26). Chicago, Durham (11), Karkovice (6).

Baltimore 000 100 100—2 6 0
Milwaukee 301 000 00x—4 10 0
Krivda, Rhodes (6), Te.Mathews (8) and Hoiles, Webster (6); Hamisch, A. Reyes (6), Wickman (8), Do.Jones (9) and Stinnett. W—Hamisch 1-1. L—Krivda 4-2. Sv—Do.Jones (36). HRs—Baltimore, Ledesma (2), Baines (16). Milwaukee, Burnitz (25).

Texas 000 100 700—8 12 0
Anaheim 000 022 000—4 7 1
Helling, Bailes (7), Patterson (8) and I. Rodriguez; D.Springer, Holtz (7), P. Harris (7), Perisho (9) and Kreuter. W—Helling 3-3. L—Holtz 3-4. HRs—Texas, Ju.Gonzalez (42), L. Stevens (21), F. Tatis (8), Diaz (2). Anaheim, Kreuter (5).

Oakland 014 030 000—8 12 1
Seattle 013 000 010—5 7 1
Oquist, Groom (8), Taylor (8), T. J.Mathews (9) and Mayne; Moyer, B.Wells (4), Charlton (6), Spoljaric (7), Ayala (8), Slocumb (9) and Marzano. W—Oquist 4-6. L—Moyer 17-5. Sv—T. J.Mathews (3). HRs—Oakland, Spiezio (14). Seattle, Ibanez (1), R.Wilkins (1).

NATIONAL LEAGUE

Cincinnati 101 400 001—7 11 1
Montreal 001 000 000—1 3 1
Morgan and J. Oliver; M.LJohnson, Bennett (5), DeHart (9) and Widger, Chavez (9). W—Morgan 9-12. L—M.LJohnson 2-5. HRs—Cincinnati, Dm.Jackson (1), Nunnally (12).

Florida 000 200 010—3 5 1
Philadelphia 000 010 40x—5 10 0
Ojala, Alfonseca (7), Stanifer (7) and C. Johnson, Natal (8); Schilling, Spradlin (8), Bottalico (9) and Lieberthal. W—Schilling 17-11. L—Alfonseca 1-3. Sv—Bottalico (33). HR—Philadelphia, K.Jordan (5).

Pittsburgh 000 000 000—0 6 2
Houston 000 010 10x—2 3 0
Loaiza, Christiansen (8) and Osik; R.Garcia, Henriquez (8), B.Wagner (9) and Knorr, Pena (5). W—R. Garcia 9-8. L—Loaiza 11-11. Sv—B. Wagner (23). HR—Houston, Ru.Johnson (2).

Chicago 300 100 100—5 14 0
St. Louis 100 000 001—2 6 0
Tapani, Pisciotta (9) and Houston; Busby, Fossas (6), S.Lowe (7), Raggio (9) and Marrero. W—Tapani 9-3. L—Busby 0-2.

Atlanta 120 100 200 01—7 12 1
New York 400 002 000 00—6 7 2
11 innings
Brock, C. Fox (7), Embree (8), LeRoy (9), Ligtenberg (11) and Edd.Perez, Spehr (4); Bohanon, McMichael (8), Rojas (10) and A.Castillo. W—LeRoy 1-0. L—Rojas 0-6. Sv—Ligtenberg (1). HRs—Atlanta, Belliard (1), Graffanino (8).

Los Angeles 400 012 120—10 15 4
Colorado 000 100 030—4 7 0
I.Valdes, Radinsky (8) and Piazza; Jm.Wright, Holmes (6), McCurry (8), Beckett (9) and Je.Reed, Manwaring (9). W—I. Valdes 10-11. L—Jm.Wright 8-12. HRs—Los Angeles, Ec.Young (8), Piazza (38), Karros (31), Mondesi 2 (30), Gagne (9). Colorado, L.Walker (49).

San Diego 100 010 020—4 6 3
San Francisco 302 182 10x—17 18 2
P.Smith, H. Murray (4), Cunnane (5), Bruske (5), Erdos (5), Bergman (7), Kroon (8) and C. Hernandez, Romero (7); Estes, D. Henry (8), Beck (9) and B. Johnson, Berryhill (7). W—Estes 19-5. L—P. Smith 7-6. HRs—San Francisco, Bonds (40), Kent (29).

SATURDAY'S LINESCORES
AMERICAN LEAGUE

Boston 220 000 000—5 10 3
Toronto 221 000 43x—12 15 3
Sele, Wakefield (2), Wasdin (5), Brandenburg (6), Corsi (7), Suppan (8) and Hatteberg; Hentgen, Janzen (7), Quantrill (9) and B.Santiago. W—Janzen 2-1. L—Corsi 5-3. HR—Boston, Garciaparra (30).

Minnesota 002 001 021—6 14 1
Cleveland 000 216 01x—10 16 0
Tra.Miller, Trombley (6), Naulty (6), Robertson (8) and Steinbach; Jr.Wright, Colon (4), Plunk (7), Assenmacher (8), M.Jackson (9) and Borders. W—Colon 4-7. L—Tra.Miller, 1-5. HR—Cleveland, Ramirez (26).

Second Game
Minnesota 001 012 000 2—6 12 0
Cleveland 000 020 002 0—4 12 1
Serafini, Swindell (6), Aguilera (9) and Valentine; Juden, Jacome (7), A. Lopez (9), Morman (10) and Diaz, Borders (10). W—Aguilera 5-4. L—A. Lopez 3-7. HRs—Minnesota, Lawton (14). Cleveland, Justice (33).

New York 000 020 040—6 11 0
Detroit 000 000 100—1 4 0
D.Wells, Lloyd (8), Mendoza (9) and Girardi, Posada (7); Moehler, M. Myers (7), Gaillard (8), Duran (8), Brocail (8), Jarvis (9) and Walbeck. W—D. Wells 16-10. L—Moehler, 11-12. HRs—New York, Fielder (13). Detroit, Hurst (1).

Oakland 200 000 001—3 10 1
Seattle 410 211 00x—9 13 0
Rigby, Lorraine (4), Ludwick (4), Mohler (6), C. Reyes (6) and Mayne; Olivares, Ra.Johnson (5), Timlin (7), Spoljaric (8), Ayala (9) and Da.Wilson. W—Ra.Johnson, 20-4. L—Rigby, 1-7. HRs—Seattle, R.Kelly (12), Griffey Jr (56), Sorrento (31).

Kansas City 000 036 010—10 13 1
Chicago 100 110 010—4 11 0
Bones, Olson (7) and Mi.Sweeney; Navarro, J. Darwin (6), Levine (7), Fordham (9) and Machado. W—Bones 4-7. L—Navarro 9-14. Sv—Olson (1). HRs—Kansas City, J.King (27), Mi.Sweeney (7).

Baltimore 001 100 003—5 14 1
Milwaukee 300 000 100—4 8 0
Erickson, Mills (7), A. Benitez (7), Te.Mathews (8), Ra.Myers (9) and Hoiles, C. Greene (4), Rosario (7); D'Amico, Fetters (6), Davis (7), Wickman (8), Do.Jones (9) and Levis. W—Te.Mathews 4-4. L—Do.Jones 6-6. Sv—Ra.Myers (45). HRs—Baltimore, R. Alomar (14), E.Davis (8). Milwaukee, Burnitz (26).

Texas 010 202 200—7 12 0
Anaheim 000 011 141—8 12 1
Pavlik, Bailes (8), Whiteside (8), Patterson (8), Santana (9) and I. Rodriguez; Hasegawa, Da.May (6), Chavez (7), Percival (9) and Encarnacion. W—Percival 5-5. L—Santana 4-6. HRs—Texas, I. Rodriguez (20). Anaheim, Hollins (16), Eenhoorn (1).

NATIONAL LEAGUE

Chicago 004 000 000—4 7 0
St. Louis 130 300 05x—12 12 1
R.Myers, D. Stevens (2), Foster (3), Batista (5), T.Adams (8), Morel (8) and Houston; Morris and DiFelice. W—Morris, 12-9. L—Foster, 10-7. HRs—St. Louis, McGwire 2 (23).

Atlanta 000 000 010—1 5 0
New York 000 000 011—2 4 1
Smoltz, Cather (7), Wohlers (8) and J. Lopez, Edd.Perez (7); R.Reed, Crawford (9) and A.Castillo. W—Crawford, 4-3. L—Wohlers, 5-7.

Los Angeles 110 000 103—6 8 1
Colorado 000 010 000—1 7 2
R.Martinez, Dreifort (8), Hall (9) and Piazza, Prince (9); F.Castillo, Leskanic (8), Dipoto (9) and Manwaring, Je.Reed (8). W—R. Martinez, 10-5. L—F. Castillo, 12-12.

San Diego 000 000 010—1 4 1
San Francisco 000 102 30x—6 7 0
Hitchcock, Tl.Worrell (6), H.Murray (7), Menhart (7), Kroon (8) and Flaherty; Alvarez, R.Hernandez (8), Beck (9) and B. Johnson, Berryhill (8). W—Alvarez, 4-3. L—Hitchcock, 10-11.

Florida 102 001 300—7 8 0
Philadelphia 000 420 011—8 14 2
L.Hernandez, K. Miller (4), Cook (6), Powell (7), Vosberg (8), Stanifer (9) and C. Johnson, Zaun (6); T.Green, Karp (7), Spradlin (9) and Estalella. W—Spradlin 4-8. L—Stanifer 1-2. HRs—Florida, Daulton (14). Philadelphia, Rolen 2 (21).

Cincinnati 100 101 200—5 10 0
Montreal 002 024 00x—8 14 0
Crowell, Graves (6), Winchester (8) and Fordyce; Thurman, D.Veres (6), Kline (7), Telford (8) and Chavez. W—Thurman 1-0. L—Crowell 0-1. Sv—Telford (1). HRs—Cincinnati, W. Greene (26). Montreal, Meulens (2), R.White (28).

Pittsburgh 100 000 000—1 8 1
Houston 002 020 20x—6 12 0
Schmidt, Dessens (5), J.Johnson (6), Peters (8) and Kendall, Osik (8); Reynolds, Magnante (6), R. Springer (8), T.Martin (9) and Pena, Knorr (6). W—Reynolds 9-10. L—Schmidt 10-9.

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct	GB
x-Yakult	79	48	2	.622	—
Yokohama	68	57	0	.544	10
Hiroshima	64	61	0	.512	14
Yomiuri	60	70	0	.462	20½
Hanshin	56	72	1	.438	23½
Chunichi	55	74	1	.426	25

x-clinched league title

PACIFIC LEAGUE

	W	L	T	Pct	GB
Seibu	72	52	3	.581	—
Orix	64	57	3	.529	6½
Kintetsu	65	61	4	.516	8
Nippon Ham	61	69	1	.469	14
Daiei	59	67	1	.468	14
Lotte	54	69	2	.439	17½

SATURDAY'S RESULTS
CENTRAL LEAGUE
Yakult 5, Hanshin 4
Yomiuri 3, Chunichi 1
Hiroshima 10, Yokohama 6
PACIFIC LEAGUE
Seibu 5, Nippon Ham 4
Kintetsu 9, Daiei 3
Orix 5, Lotte 3

SUNDAY'S RESULTS
CENTRAL LEAGUE
Yakult 16, Hanshin 1
Yokohama 9, Hiroshima 4
Yomiuri 3, Chunichi 0
PACIFIC LEAGUE
Nippon Ham 3, Seibu 2
Lotte 5, Orix 4
Kintetsu 5, Daiei 0

ICE HOCKEY

NHL Preseason

FRIDAY'S GAMES
Detroit 4, Boston 0
Toronto 2, Florida 1
N.Y. Rangers 1, New Jersey 0
Washington 4, Philadelphia 3, OT
Ottawa 3, Buffalo 2
Chicago 3, Montreal 2
Los Angeles 4, Anaheim 1

SATURDAY'S GAMES
Philadelphia 1, Pittsburgh 0
Boston 5, Detroit 3
Washington 6, Colorado 1
Montreal 4, Chicago 3
New Jersey 3, N.Y. Islanders 2
Florida 4, Toronto 4, tie
Carolina 3, Buffalo 2
Dallas 4, Phoenix 3
Los Angeles 5, Anaheim 2
Calgary 4, Edmonton 2
San Jose 5, Vancouver 4

FOOTBALL

Major College Scores

Amherst 30, Bowdoin 0
Brown 35, Lafayette 27
Bucknell 20, Penn 16
Cincinnati 24, Boston College 6
Colgate 44, Cornell 38, OT
Columbia 16, Towson 6
Connecticut 28, Yale 0
Dartmouth 35, Holy Cross 6
Delaware 38, Northeastern 14
Hampton U. 42, Grambling St. 7
Harvard 35, Lehigh 30
Maryland 24, Temple 21
Massachusetts 18, Rhode Island 14
Miami, Ohio 38, Army 14
Princeton 9, Fordham 7
Alabama 27, Southern Miss. 13
Auburn 41, Cent. Florida 14
Duke 26, Navy 17
Florida 55, Kentucky 28
Florida A&M 24, Howard U. 15
Georgia Tech 23, Clemson 20
LSU 56, Akron 0
Mississippi 15, Vanderbilt 3
Mississippi St. 37, South Carolina 17
North Carolina 48, Virginia 20
West Virginia 28, Miami 17
William & Mary 20, Boston U. 17
Houston 45, Minnesota 43
Iowa 38, Illinois 10
Kansas St. 58, Bowling Green 0
Marshall 42, Ball St. 16
Michigan 21, Notre Dame 14
Ohio St. 31, Missouri 10
Purdue 21, Northwestern 9
Wisconsin 27, Indiana 26
Arkansas 17, Louisiana Tech 13
Brigham Young 19, Southern Meth. 16, OT
Oklahoma 35, Louisville 14
Oklahoma St. 38, NE Louisiana 7
Texas 38, Rice 31
Texas A&M 36, North Texas 10
Air Force 24, San Diego St. 18, OT
Arizona St. 13, Oregon St. 10
Colorado 20, Wyoming 19
Southern Cal 27, California 17
Stanford 58, Oregon 49
UCLA 40, Arizona 27
UNLV 41, Illinois St. 6
Washington St. 58, Boise St. 0

Top 25 College Results

How the top 25 teams in The Associated Press' college football poll fared last week:

No. 1 Florida (4-0) beat Kentucky 55-28. Next: vs. Arkansas, Saturday. No. 2 Penn State (3-0) did not play. Next: at Illinois, Saturday. No. 3 Nebraska (3-0) did not play. Next: vs. No. 18 Kansas State, Saturday. No. 4 Florida State (3-0) did not play. Next: vs. Miami, Saturday. No. 5 North Carolina (4-0) beat Virginia 48-20. Next: at Texas Christian, Saturday.

No. 6 Michigan (3-0) beat Notre Dame 21-14. Next: at Indiana, Saturday. No. 7 Ohio State (4-0) beat Missouri 31-10. Next: vs. No. 11 Iowa, Saturday. No. 8 Auburn (4-0) beat Central Florida 41-14. Next: at South Carolina. No. 9 Tennessee (2-1) did not play. Next: vs. Mississippi, Saturday. No. 10 Washington (2-1) did not play. Next: vs. No. 25 Arizona State, Saturday.

No. 11 Iowa (4-0) beat Illinois 38-10. Next: at No. 7 Ohio State, Saturday. No. 12 Michigan State (3-0) did not play. Next: vs. Minnesota, Saturday. No. 13 LSU (3-1) beat Akron 56-0. Next: at Vanderbilt, Saturday. No. 14 Virginia Tech (4-0) beat Arkansas State 50-0. Next: vs. Miami, Ohio, Saturday. No. 15 Washington State (4-0) beat Boise State 58-0. Next: at Oregon, Saturday.

No. 16 Colorado (2-1) beat Wyoming 20-19. Next: vs. No. 22 Texas A&M, Saturday. No. 17 Clemson (2-2) lost to Georgia Tech 23-20. Next: vs. Texas El-Paso, Saturday. No. 18 Kansas State (3-0) beat Bowling Green 58-0. Next: at No. 3 Nebraska, Saturday. No. 19 Georgia (3-0) did not play. Next: vs. Mississippi State, Saturday. No. 20 Stanford (3-1) beat Oregon 58-49. Next: vs. Notre Dame, Saturday.

No. 21 Alabama (3-1) beat Southern Mississippi 27-13. Next: at Kentucky, Saturday. No. 22 Texas A&M (3-0) beat North Texas 36-10. Next: at No. 16 Colorado, Saturday. No. 23 Brigham Young (2-1) beat Southern Methodist 19-16, OT. Next: vs. Utah State, Friday. No. 24 UCLA (2-2) beat Arizona 40-27. Next: vs. Houston, Saturday. No. 25 Arizona State (3-1) beat Oregon State 13-10. Next: at No. 10 Washington, Saturday.

CFL Standings

EASTERN DIVISION	W	L	T	PF	PA	Pts.
x-Toronto	11	2	0	22	459	234
x-Montreal	10	3	0	20	352	360
Winnipeg	3	10	0	6	318	410
Hamilton	1	13	0	2	284	441
WESTERN DIVISION						
Edmonton	8	5	0	16	331	311
British Columbia	8	6	0	16	397	380
Calgary	7	6	0	14	353	309
Saskatchewan	5	8	0	10	298	341

x-clinched playoff berth

Friday's Game
B.C. 34, Hamilton 33

AUTO RACING

Luxembourg Grand Prix

SUNDAY, IN NUERBURGRING, GERMANY
305.235km, 65 laps

1. Jacques Villeneuve, Canada, Williams 1 h. 31 m. 27.834 s, average speed 200.222kph
2. Jean Alesi, France, Benetton at 11.770 s
3. H.-H. Frentzen, Ger., Williams 13.480
4. Gerhard Berger, Austria, Benetton 16.416
5. Pedro Diniz, Brazil, Arrows 43.147
6. Oliver Panis, France, Prost 43.750
7. Johnny Herbert, Britain, Sauber 44.354
8. Damon Hill, Britain, Arrows 44.777
9. Gianni Morbidelli, Italy, Sauber one lap
10. Mika Salo, Finland, Tyrrell one lap

DRIVERS' STANDINGS: 1. Villeneuve, 77 points; 2. Michael Schumacher, Germany, Ferrari, 68; 3. Heinz-Harald Frentzen, 35; 4. Alesi, 34 5. David Coulthard, Britain, McLaren, 30; 6. Berger, 24; 7. Giancarlo Fisichella, Italy, Jordan, 20; 8. Eddie Irvine, Britain, Ferrari, 18; 9. Panis, 16; 10 Mika Hakkinen, Finland, McLaren, 14; Ile Herbert, 14

CONSTRUCTORS' STANDINGS: 1. Williams 112 points; 2. Ferrari 86; 3. Benetton 62; 4. McLaren 44; 5. Jordan 33; 6. Prost 21; 7. Sauber 15; 8. Arrows 9; 9. Stewart 6; 10. Tyrrell 2.

CRICKET

PAKISTAN VS. INDIA
1ST 1-DAY INTERNATIONAL
SUNDAY, IN HYDERABAD, PAKISTAN
India: 170 (49 overs)
Pakistan 171 for five (in 44.3).
Pakistan won by five wickets and leads 3 match series 1-0.

ZIMBABWE VS. NEW ZEALAND
2D AND FINAL TEST, 4TH DAY
SUNDAY, IN BULAWAYO, ZIMBABWE
Zimbabwe: 461 and 152-3
New Zealand: 403

CYCLING

Tour of Spain

Placings in 21st stage, 43.7 km, individual time trial in Alcobendas on Saturday:
1. Alex Zuelle, Switzerland, ONCE 51 m. 35 s
2. Sergei Gontchar, Ukraine, AKI at 31 s.
3. Alberto Leanizbarrutia, Spain, ONCE 40
4. Laurent Jalabert, France, ONCE 51
5. Melchor Mauri, Spain, ONCE 56
6. Tony Rominger, Switzerland, Cofidis 1:26
7. Juan Carlos Dominguez, Sp., Kelme 1:30
8. Cristian Salvato, Italy, Refin 2:13
9. Enrico Zaina, Italy, Asics 2:19
10. Fernando Escartin, Spain, Kelme 2:21

Placings in 145.5 kms, 22nd and final stage in and around Madrid on Sunday:
1. Max van Heeswijk, Netherlands, Rabobank 3 h. 29 m. 42 s
2. Jan Svorada, Czech Republic, Mapei, s.t.
3. Marcel Wust, Germany, Lotus, s.t.
4. Claudio Camin, Italy, Brescialat, s.t.
5. Lars Michaelsen, Denmark, TVM, s.t.
6. Fabrizio Guidi, Italy, Scrigno, s.t.
7. Aart Vierhouten, Neth., Rabobank, s.t.
8. Alessio di Basco, Italy, Saeco, s.t.
9. Biagio Conte, Italy, Scrigno, s.t.
10. Gianluca Gorini, Italy, AKI

FINAL OVERALL (3,750-km): 1. Zuelle, 91 h. 15 m. 55 s.; 2. Escartin, at 5:07; 3. Laurent Dufaux, Switzerland, Lotus 6:11; 4. Zaina, 7:24; 5. Roberto Heras, Spain, Kelme 8:04; 6. Daniel Clavero, Spain, Estepona 10:02; 7. Jalabert 10:03; 8. Marcos Serrano, Spain, Kelme 10:40; 9. Gianni Faresin, Italy, Mapei 13:53; 10. Yvon Ledanois, France, GAN 15:40.

GOLF

Ryder Cup

IN SOTOGRANDE, SPAIN

FOURSOMES
Nick Faldo/Lee Westwood, Britain def. Justin Leonard/Jeff Maggert, U.S., 3 and 2.
Jesper Parnevik, Sweden/Ignacio Garrido, Spain halved with Tom Lehman/Phil Mickelson, U.S..

FOURBALLS
Colin Montgomerie/Darren Clarke, Britain, def. Fred Couples/Davis Love III, U.S., by 1 hole
Ian Woosnam, Britain/Thomas Bjorn, Denmark, def. Leonard/Brad Faxon, U.S., 2 and 1.
Nick Faldo/Lee Westwood, Britain def. Tiger Woods/Mark O'Meara, U.S., 2 and 1.
Phil Mickelson/Tom Lehman, U.S. halved with Jose Maria Olazabal/Ignacio Garrido

FOURSOMES
Montgomerie/Bernhard Langer, Germany, def. Lee Janzen/Jim Furyk, U.S., by 1 hole.
Scott Hoch/Maggert, U.S. def. Faldo/Westwood 2 and 1.
Olazabal/Costantino Rocca, Italy, def. Love III/Couples, 5 and 4.
Leonard/Woods halved with Parnevik/Garrido.

SINGLES
Fred Couples def. Woosnam 8 and 7
Per-Ulrik Johansson, Swe. def. Love III 3 and 2
O'Meara def. Parnevik 5 and 4
Italy, def. Woods 4 and 2
Mickelson def. Clarke 2 and 1
Bjorn and Leonard halved
Lehman def. Garrido 7 and 6
Maggert def. Westwood 3 and 2
Langer def. Brad Faxon 2 and 1
Janzen def. Olazabal by one hole
Furyk def Faldo 3 and 2
Montgomerie and Hoch halved

FINAL MATCH SCORE
EUROPE 14-1/2, UNITED STATES 13-1/2

Jun Classic

Leading scores Sunday in 110 million yen, $917,000, Gene Sarazen Jun Classic golf tournament at the 7,116-yard, 6,476-meter, par-72 Rope Club course. Japanese unless specified. Shioya, Japan:

Eduardo Herrera, Col.	71-66-69-70—276
Toshiaki Odate, Jap.	70-70-68-69—277
Toru Taniguchi, Jap.	69-71-71-68—279
Y. Yamamoto, Jap.	69-71-73-67—280
T. "Jet" Ozaki, Jap.	72-72-68-68—280
H. Tanaka, , Jap.	69-71-68-72—280
M. "Jumbo" Ozaki, Jap.	68-70-67-75—280
Kiyoshi Maita, , Jap.	69-71-71-70—281
Carlos Franco, Par.	66-72-71-72—281
Shigenori Mori, Jap.	69-72-73-68—282
Hiroyuki Fujita,	71-71-71-69—282
S. Maruyama, Jap.	70-67-74-71—282

RUGBY UNION

THE HEINEKEN EUROPEAN CUP

GROUP A
Leicester, England 47, Leinster, Ireland, 22
Toulouse, France 69, Milan, Italy, 19
GROUP B
Wasps, England, 43, Glasgow, Scotland, 5
Ulster, North Irl., 28, Swansea, Wales, 20
GROUP C
Pontypridd, Wales, 29 Brive, France, 29
Bath, England 27, Borders, Scotland, 23
GROUP D
Munster, Ireland 32 Cardiff, Wales 37
Bourgoin, France, 18, Harlequins, Eng., 30
GROUP E
Treviso, Italy, 52, Caledonia, Scotland, 6
Llanelli, Wales, 14, Pau, France, 10

EUROPEAN CONFERENCE

GROUP A
Bristol, England, 18, Ebbw Vale, Wales, 16
Agen, France, 21, La Rochelle, France, 15
GROUP B
Newport, Wales, 26, Montferrand, Fr., 31
Sale, England, 43, Montpellier, France 3
GROUP C
London Irish, England, 24, Dax, France, 11
Constanza, Rom., 28, Stade Francais, Fr., 85
GROUP D
Connacht, Ireland, 28, Nice, France, 25
Bordeaux, Fr., 23, Northampton, Eng., 16
GROUP E
Bridgend, Wales, 12, Richmond, Eng., 44
Grenoble, France, 24, Colomiers, France, 29
GROUP F
Padova, Italy, 26, Beziers, France, 26
Toulon, Fra. 16, Gloucester, England, 13
GROUP G
Biarritz, France, 25, Edinburgh, Scotland, 27
Perpignan, Fr., 13, Newcastle, England, 27
GROUP H
Castres, France, 32, Saracens, England, 18
Narbonne, France, 52, Neath, Wales, 21

SOCCER

FRENCH FIRST DIVISION
Metz 2, Auxerre 0
Paris St Germain 1, Montpellier 1
Rennes 1, Bastia 0
Toulouse 2, En Avant Guingamp 0
Monaco 3, Strasbourg 1
Nantes 0, Cannes 2
Chateauroux 2, Le Havre 1
STANDINGS: Metz 23 points; Paris 20; Bordeaux 17; Monaco 16; Lens 15; Bastia 15; Toulouse 15; Marseille 14; Guingamp 14; Lyon 12; Auxerre 9; Rennes 9; Montpellier 8; Nantes 8; Chateauroux 8; Strasbourg 7; Cannes 7; Le Havre 6.

DUTCH FIRST DIVISION
Twente Enschede 1, NAC Breda 1
Fortuna Sittard 1; Vitesse Arnhem 7
Heerenveen 0; Ajax Amsterdam 1
MVV Maastricht 2; NEC Nijmegen 0
Graafschap Doetinchem 1; RKC Waalwijk 0
Sparta Rotterdam 3, Roda JC 1
FC Utrecht 2, Willem II Tilburg 2
FC Groningen 2, Feyenoord Rotterdam 0
FC Volendam 0, PSV Eindhoven 6
STANDINGS: Ajax 24 points; PSV 16; Heerenveen 17; FC Twente 15; Feyenoord 14; Vitesse 14; FC Groningen 12; Roda 12; Sparta 11; De Graafschap 11; NAC 9; Willem II 8; RKC 8; NEC 6; FC Utrecht 5; Fortuna Sitt. 5; FC Volendam 5; MVV 3.

SPANISH FIRST DIVISION
Salamanca 0, Athletic Bilbao 0
Real Sociedad 3, Valladolid 0
Atletico Madrid 3, Celta Vigo 3
Valencia 0, Real Madrid 2
Sporting Gijon 1, Barcelona 4
Deportivo Coruna 4, Racing Santander 1

ITALIAN FIRST DIVISION
Lazio 3 Bari 2
Lecce 1 Inter Milan 5
Parma 4 Udinese 0
Sampdoria 1 Juventus 1
Brescia 2, Piacenza 0
Fiorentina 1, Empoli 2
AC Milan 0, Vicenza 1
Napoli 0, Atalanta 1
STANDINGS: Internazionale 12 points, Parma 10; Juventus 8; Sampdoria 8; Roma 7; Lazio 7; Atalanta 7; Vicenza 7; Fiorentina 6; Empoli 6; Udinese 6; Napoli 4; Brescia 4; Milan 2; Bologna 1; Piacenza 1; Bari 1; Lecce 0.

GERMAN BUNDESLIGA
MSV Duisburg 2, Arminia Bielefeld 1
Bayern Munich 1, Schalke 1, tie
Borussia Dortmund 2, 1860 Munich 3
VfL Wolfsburg 1, VfB Stuttgart 0
FC Kaiserslautern 1, Werder Bremen 3
Bayer Leverkusen 1, Hansa Rostock 1
Hamburger SV 2, VfL Bochum 1
Borussia Moenchengladbach 1, Karlsruher 1
Hertha Berlin 1, Cologne 0
STANDINGS: FC Kaiserslautern 19 points; Bayern Munich 17; MSV Duisburg 16; Hansa Rostock 14; Hamburger SV 12; Schalke 12; VfB Stuttgart 11; Werder Bremen 11; VfL Wolfsburg 11; 1860 Munich 10; Moenchengladbach 10; Borussia Dortmund 9; Arminia Bielefeld 9; Karlsruher SC 9; Bayer Leverkusen 8; FC Cologne 7; VfL Bochum 7; Hertha Berlin 5.

ENGLISH PREMIER LEAGUE
Aston Villa 2, Sheffield Wednesday 2, tie
Barnsley 0, Leicester 2
Chelsea 1, Newcastle 0
Crystal Palace 2, Bolton 2
Derby 4, Southampton 0
Everton 2, Arsenal 2
Leeds 1, Manchester United 0
Tottenham 0, Wimbledon 0
West Ham 2, Liverpool 1
Blackburn 0, Coventry 0
STANDINGS: Arsenal 19 points; Manchester United 18; Leicester 18; Chelsea 16; Blackburn 16; Leeds 13; West Ham 13; Derby 12; Liverpool 12; Newcastle 12; Crystal Palace 11; Coventry 11; Tottenham 10; Aston Villa 10; Wimbledon 9; Everton 8; Bolton 8; Sheffield Wednesday 6; Barnsley 6; Southampton 4.

MAJOR LEAGUE SOCCER
Washington D.C. 5, Tampa Bay 1
Kansas City 5, Colorado 2
Eastern Conference: x-D.C. 55 points; y-Tampa Bay 45; y-Columbus 38; y-New England 37; NY-NJ 32. Western Conference: xy-Kansas City 49 points; y-Dallas 42; y-Los Angeles 41; y-Colorado 35; San Jose 30.
x-clinched conference title
y-clinched playoff spot

World Cup

ASIAN ZONE
SECOND ROUND
GROUP A
Kuwait 1, Iran 1
Qatar 1, China 1
STANDINGS: Iran 5; Kuwait 4; Saudi Arabia 4; China 1; Qatar 1.
GROUP B
Uzbekistan 2, United Arab Emirates 3
Japan 1, South Korea 2
STANDINGS: South Korea 9 points; United Arab Emirates 7; Japan 4; Uzbekistan 1; Kazakhstan 1.

TENNIS

GRAND SLAM CUP
IN MUNICH, GERMANY
QUARTERFINALS
Pete Sampras (1), U.S., def. Jonas Bjorkman (8), Sweden, 7-6 (8-6), 6-4.
Greg Rusedski (4), Britain, def. Yevgeny Kafelnikov, Russia, 6-7 (5-7), 6-3, 6-1.
SEMIFINALS
Patrick Rafter (2), Australia, def. Petr Korda, Czech R., 7-5, 3-6, 6-7 (4-7), 7-6 (7-4), 9-7.
Sampras def. Rusedski 3-6, 7-6 (7-1), 7-6 (7-4), 6-2.
FINAL
Sampras def. Rafter 6-2, 6-4, 7-5.

ROMANIAN OPEN
IN BUCHAREST, ROMANIA
SEMIFINALS
Andrea Gaudenzi, Italy, def. Marc Goellner (7), Germany, 6-2, 7-6 (7-4).
Richard Fromberg, Australia, def. Francisco Clavet, 4-6, 6-3, 6-4.
FINAL
Fromberg def. Gaudenzi 6-1, 7-6 (7-2)

TOULOUSE OPEN
IN TOULOUSE, FRANCE
QUARTERFINALS
Alex Radulescu, Germany, def. Tommy Haas, Germany, 6-1, 6-4.
Mark Philippoussis (3), Australia, def. Arnaud Clement, France, 7-5, 3-6, 7-6 (7-5)
Vince Spadea, U.S. def. Justin Gimelstob, U.S., 6-3, 7-6 (7-4).
Nicolas Kiefer, Germany, def. Guillaume Raoux, France, 6-2, 6-7 (2-7), 7-5.
SEMIFINALS
Kiefer def. Radulescu 6-3, 2-6, 7-6 (8-6).
Philippoussis def. Spadea 7-5, 6-4.
FINAL
Kiefer def. Philippoussis 7-5, 5-7, 6-4.

LEIPZIG OPEN
IN LEIPZIG, GERMANY
QUARTERFINALS
Martina Hingis (1), Switzerland, def. Sabine Appelmans, Belgium, 6-3, 6-2.
Anke Huber (5), Germany, def. Iva Majoli (3), Croatia, 4-6, 7-6 (7-2), 6-4.
Jana Novotna (2), Czech Republic, def. Sandra Kleinova, Czech Republic, 6-4, 6-2.
Amanda Coetzer (4), South Africa, def. Magdalena Grzybowska, Poland, 6-1, 7-6 (8-6).
SEMIFINALS
Coetzer def. Hingis 6-4, 4-6, 7-6 (7-3).
Novotna def. Huber 6-7 (6-8), 7-5, 6-4.
FINAL
Novotna def. Coetzer 6-2, 4-6, 6-3.

WISMILAK INTERNATIONAL
IN SURABAYA, INDONESIA
QUARTERFINALS
Dominique van Roost (1), Belgium, def. Dally Randriantefy, Madagascar, 6-0, 6-2.
Rachel McQuillan (7), Australia, def. Nicole Pratt, Australia, 3-6, 6-2, 6-2.
Maria Alejandra Vento, Venezuela, def. Sarah Pitkowski (6), France, 6-3, 6-2.
Lenka Nemeckova, Czech Republic, def. Haruka Inoue, Japan, 6-2, 6-3.
SEMIFINALS
Nemeckova def. Vento 6-4, 6-3.
Van Roost def. McQuillan 6-2, 7-5 (1-7).
FINAL
Van Roost def. Nemeckova 6-1, 6-3.

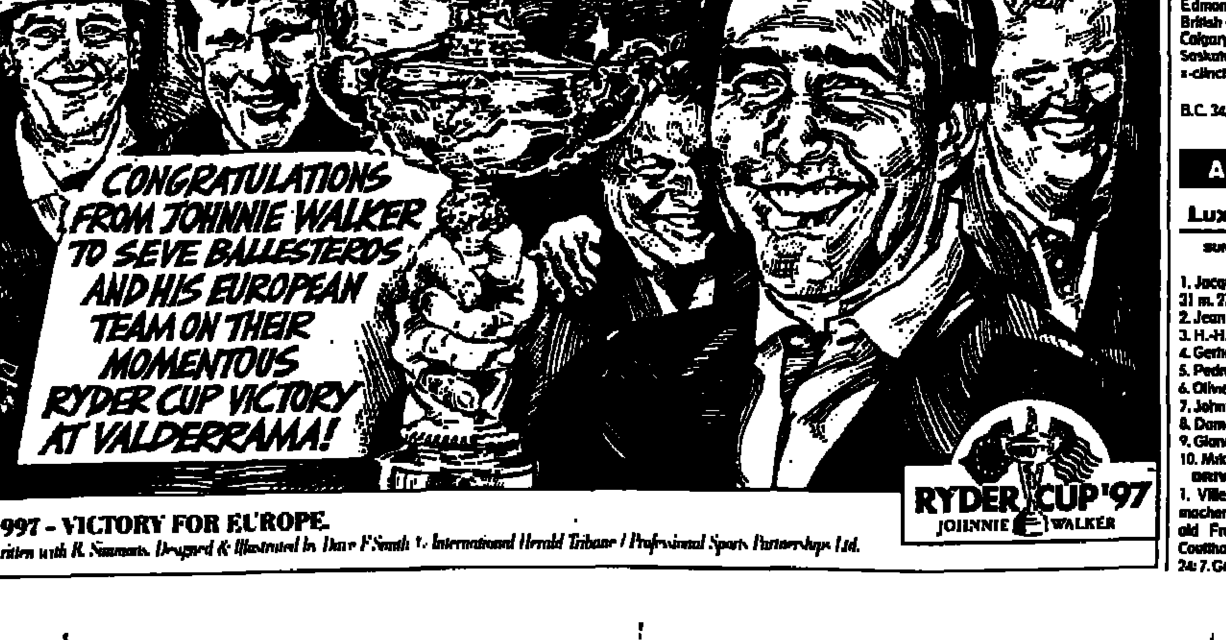
TRANSITIONS

BASEBALL
AMERICAN LEAGUE
BOSTON—Claimed C B.J. Waszgis off waivers from Baltimore.
CHICAGO—Declined to exercise their 1998 option on SS Ozzie Guillen.
NATIONAL LEAGUE
NL—Suspended New York Mets OF Carl Everett for 1 game, effective immediately, and fined him an undisclosed amount for excessive arguing and using an obscene gesture in game on Sep. 22.
SAN FRANCISCO—Bought contract of RHP William VanLandingham from Phoenix, PCL and designated 1B-OF Desi Wilson for assignment.
ST. LOUIS—Announced retirement of LHP Rick Honeycutt.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION
ATLANTA—Signed F Tyrone Corbin, F Drew Barry, C David Crouse, G Anthony Miller and G Donald Whiteside.
GOLDEN STATE—Signed G Carl Thomas.

FOOTBALL
NATIONAL FOOTBALL LEAGUE
CINCINNATI—Waived WR Gannard Taylor. Signed LB Tim Terry from practice squad.
NEW ORLEANS—Waived WR Mercury Hayes. Signed WR Brett Bech.
SAN DIEGO—Released S David Hendra. Signed CB Michael Swift from practice squad.

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هكذا من الأصل

Giants Complete Unlikely Dream

The Associated Press

The San Francisco Giants clinched their first NL West title since 1989, becoming the fourth team in this century to go from last to first in one season, with a 6-1 victory over the San Diego Padres in San Francisco.

Wilson Alvarez combined with two relievers on a four-hitter Saturday for his first victory since Aug. 26. Alvarez allowed two hits and struck out nine in seven innings. Roberto Hernandez allowed a run on two hits in the eighth, and Rod Beck pitched the ninth.

Beck struck out Greg Vaughn for the final out, touching off a wild celebration near the mound.

J.T. Snow hit a two-run double, Glenallen Hill and Darryl Hamilton had run-scoring singles and Brian Johnson added a sacrifice fly for the Giants.

San Francisco, which has won three straight and eight of 10, became the last team to qualify for postseason play. It was the Giants' fifth title since moving to San Francisco in 1958. They won the NL pennant in 1962 and 1989, and claimed division championships in 1971 and 1987.

The Giants, who open the playoffs Tuesday at Florida, joined the 1990-91 Minnesota Twins, the 1990-91 Atlanta Braves and the 1992-93 Philadelphia Phillies as the only teams of the century to go from last place one season to first place the following year.

Dodgers 6, Rockies 1 The Dodgers were eliminated from the NL West race despite beating host Colorado.

Ramon Martinez shut down the Rockies for seven innings and Otis Nixon drove in two runs for Los Angeles. About 20 minutes after the victory, San Francisco wrapped up the division title.

Cardinals 12, Cubs 4 In St. Louis, Mark McGwire hit his 56th and 57th home runs, the most in a season since Roger Maris of the Yankees set the record with 61 in 1961.

The homers put McGwire two ahead of Seattle's Ken Griffey Jr. for the major-league lead.

McGwire hit a 1-0 pitch in the fourth off Kevin Foster (10-7), a shot that slammed off a concrete facade beyond the left-field fence. In the eighth, McGwire fell behind Ramon Morel 0-2, worked the count to 2-2 and hit a towering homer well beyond the fence in left.

Mets 2, Braves 1 In New York, Alberto Castillo hit a one-out double in the ninth inning off Atlanta's closer, Mark Wohlers, to drive in the winning run.

Astros 8, Pirates 1 Shane Reynolds beat visiting Pittsburgh for the seventh time in eight decisions and Bob Abreu had a two-run double.

Reynolds (9-10), scheduled to pitch Game 3 of the playoffs against Atlanta, allowed one run and six hits in five innings.

Abreu hit an RBI double off Jason Schmidt in a three-run fifth that put Houston ahead, 6-1. Sean Berry's sacrifice fly and Luis Gonzalez's pinch-single added runs in the seventh.

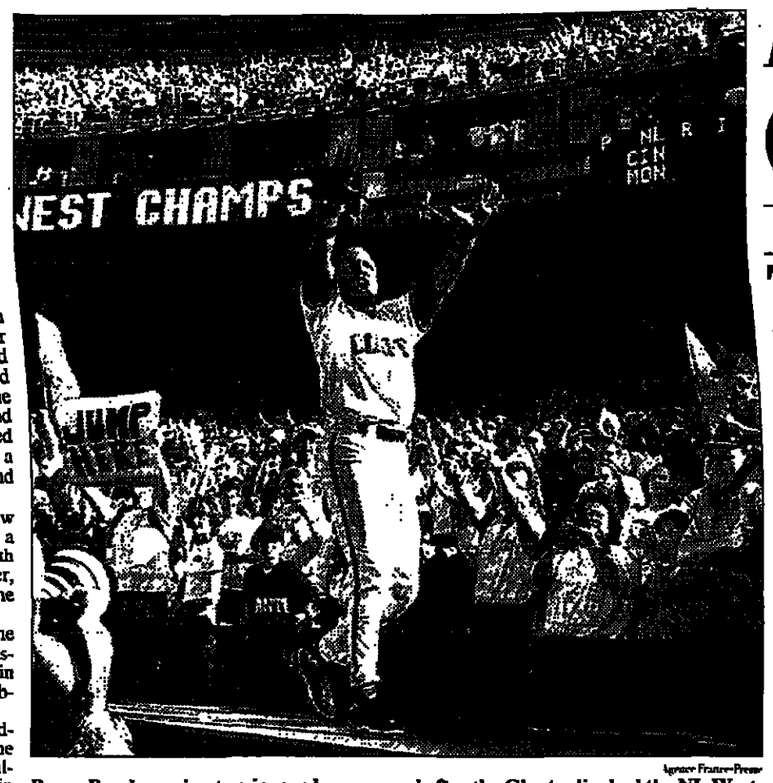
Expos 8, Reds 5 Hensley Meulens homered and matched a career high with four RBIs, and Mike Thurman got his first major-league victory.

Meulens gave host Montreal a 2-1 lead with a two-run single in the third and homered leading off the fifth to make it 3-2. He hit an RBI double as Montreal took a 8-3 lead with a four-run sixth off Jim Crowell, who was making his first major-league start.

Phillies 8, Marlins 7 Scott Rolen hit his second homer of the game with one out in the bottom of the ninth for Philadelphia.

Rolen, the likely NL Rookie of the Year, hit his 21st homer on a 2-2 pitch from Rob Stanifer (1-2). Rolen's first homer, a two-run shot, gave the Phillies a 6-3 lead in the fifth.

NL Roundup



Agence France-Presse

Barry Bonds waving to a joyous home crowd after the Giants clinched the NL West.

Mariners' Griffey Bags No. 56

The Associated Press

Ken Griffey Jr. returned after a night off to hit his 56th home run and Randy Johnson came out of the bullpen to become Seattle's first 20-game winner, as the Mariners beat the Oakland Athletics, 9-3, in Seattle.

The Mariners hit three homers in Saturday's game, increasing their major-league record total to 264, and reached 90 victories for the first time.

Griffey, returning to center field for the first time since the Mariners clinched the AL West last Tuesday, hit a solo shot off Brad Rigby (1-7) in the second for a 5-2 lead.

Griffey, who asked to sit out Friday night's game to get some rest in preparation for the AL playoffs that begin this week, went 3-for-5 and increased his major-league-leading RBIs total to 147.

Yankees 6, Tigers 1 In Detroit, Wade Boggs reached 2,800 career hits with an RBI triple and David Wells had a good audition for New York's postseason rotation.

Cecil Fielder added a three-run homer and Bernie Williams hit an RBI triple in New York's fourth straight victory.

Blue Jays 12, Red Sox 5 In Toronto, Rich Butler had three hits, including his first major-league RBI on a tiebreaking single, in a four-run seventh inning.

Orioles 5, Brewers 4 In Milwaukee, Eric Davis homered for the first time since undergoing surgery for colon cancer and Roberto Alomar erased a 4-2 Orioles' deficit with a three-run homer in the ninth off Doug Jones (6-6). Davis, who underwent surgery on June 13 and returned to the lineup on Sept. 15, went 4-for-5 and hit a drive into the left-field seats in the third.

Royals 10, White Sox 4 Jeff King hit a grand slam to cap a six-run sixth inning as visiting Kansas City beat a Chicago team for the first time in 14 games this season.

Kansas City had been 0-10 against the White Sox and was swept in a three-game interleague series by the Cubs.

Indians 10, Twins 6; Twins 6, Indians 4 In Cleveland, Jaret Wright, the 21-year-old Cleveland rookie, allowed two runs and struck out six in three innings as the Indians beat Minnesota in the first game of a doubleheader.

In the second game, Matt Lawton homered in the top of the 10th after David Justice hit a tiebreaking, two-run homer in the bottom of the ninth as the Twins earned a split with a 6-4 victory.

AL Roundup

Bring On the Playoffs! (And Bet on the Braves)

By Thomas Boswell
Washington Post Service

THIS HAS been a baseball season of colossal individual deeds, from Mark McGwire's and Ken Griffey's homers to Tony Gwynn's and Larry Walker's batting to Curt Schilling's and Roger Clemens's pitching. Thank heaven it's finally over. Now, at last, it's time to bring on the teams. Can we start the championship portion of the entertainment, please?

Just one thing was missing in this year of monumental stats. Big games. Because of the division-race-deflating influence of wild cards, the game managed to have a season without a single contest that will be part of baseball lore. The two best teams in each league were in the East. We knew everybody would go to the fall party. So, why worry? Or care?

Now, we've got nothing but big games. This wild-card deal is a trade-off. The season's sleepier. But October's even crazier, especially the five-game division series that are set to start Tuesday and Wednesday.

In one month, we'll have a new king. Along that championship trail, Randy Johnson may strike out 16. Tino Martinez could drive in a dozen runs in a series. Barry Bonds probably will play like his godfather, Willie Mays. And Bobby Bonilla is a good bet to go 1 for 20.

But, in the end, the title will go to Atlanta. Because it should. The Braves still don't know how they lost to the Yankees last year. And they're still mad about it. As they should be. So, they'll beat the Baltimore Orioles in the World Series in six games. Occasionally, the two best teams really do go all the way, then the better one actually wins the Series. That's how it'll be this year.

For the next few days, we will be inundated with dubious playoff analysis. We'll see hitter vs. pitcher matchups. Who won the head-to-head season series? Who couldn't hit southpaw starters? We'll even get those ludicrous charts that compare teams position by position as if baseball were a series of head-to-head Ryder Cup matches.

Mostly, this is bunk, though we engage in it because it's also fun. The gap between top teams is narrower in baseball than in any major sport. Upsets, and sudden midseries momentum shifts, are in character. That's the kick of it. But some analytical stuff does matter. To the degree it's possible, here's how you dope out October baseball.

First, is one team miles better than another by every measure?

You don't see this often. But you will in the first round. The stumblin' and staggerin' Houston Astros don't belong on the same field with the Braves. They know it. "We'll have fun," Craig Biggio predicted. Until the games start, anyway.

Second, you see if one team's rotation can dominate, smothering the other offense and putting it into a team-wide slump that worsens as the series progresses. This happens often. And it should be the case when the Yankees meet the underarmed Indians. Andy Pettitte and David Cone, back from shoulder problems, look sharp.

Cleveland's rookie, Jaret Wright, skipped a start against New York this week so the Yanks would not get a pre-playoff look at him. That's a tip-off. If you're good, you want 'em to see you — so they wish they'd never see you again.

Third, if a series looks close by normal measurements, check the bullpens. If one is clearly superior, you've got your answer.

That's what will happen when the Orioles meet the Mariners. Both have fine pedigrees. Baltimore won seven of 11 meetings and has a better regular-season record. The Mariners just set the all-time season home-run record and have the most superstars. The Orioles, however, play better as a team. So, plenty of these contests should be nip and tuck.

Don't wear yourself out thinking, however. The Orioles will win the close games because you'll never see a bigger bullpen gap than this in the playoffs. The Orioles deserve to win and they know it. That helps make it happen.

That leaves the Florida Marlins against San Francisco as our mystery series. The Marlins have more talent, better starting pitching, a bigger payroll and little clubhouse chemistry. The Giants are scrappers who've gotten Bonds to embrace the program. The pick here is the Giants, wholeheartedly. That probably means the Marlins are a lock.

The one certainty of this postseason is if the Braves don't reach the Series, they will be branded chokers. How unfair. Just because the only way they can lose is if they gag their brains out.

This is a team that will start three Cy Young winners against Houston. But not this year's probable Cy Young winner — Denny Neagle (20-4). He's not good enough to crack their playoff rotation. Now that's baseball history.

The only team with a prayer against the Braves is Florida. But the Giants are going to upset them. So, Atlanta's got a bye to the finals.

The American League is the complete opposite. Every series is up for grabs. The Mariners have a gargantuan offense that'll exhaust anybody they play. The Yankees have been underrated all year. It's no accident they finished fast, closing their division gap behind the Orioles — just as Baltimore did to them last year. There's not much air between New York, rich in starters but an arm shy in the bullpen, and Baltimore, rich in the pen but an arm shy in the rotation.

Whoever comes out of the AL — and it won't be Cleveland — will look like they've survived a death march. If the Braves lose their fourth Series of the '90s, Bobby Cox has to go. But they won't.

The Luck of the Irish? Not This Year

Notre Dame Loses 3d Straight as Michigan Comes Back in 2d Half

The Associated Press

An improved performance by Notre Dame still wasn't good enough to beat Michigan.

The Fighting Irish lost their third straight game Saturday, falling to sixth-ranked Michigan, 21-14. Notre Dame is mired in its longest losing streak since 1985, when Gerry Faust's last Irish team dropped its final three games.

Brian Griese, the Michigan quarterback, threw a 41-yard touchdown pass to Tai Sheets, and Chris Floyd scored on a 14-yard run as Michigan (3-0) overcame a 14-7 halftime deficit at home.

It has been a rough start for Bob Davie, Notre Dame's new coach. His team has faltered since opening with a victory over Georgia Tech. The Irish (1-3) lost to Purdue and Michigan State before falling to Michigan. It won't get much easier next week at No. 20 Stanford.

The Irish blew several late scoring chances. They recovered three fumbles in Wolverines' territory in the fourth quarter, but failed to score each time.

Griese was 16-of-22 for 177 yards, while Notre Dame's quarterback, Ron Powlus, was 20-of-27 for 205 yards.

No. 1 Florida 55, Kentucky 28 In Lexington, Doug Johnson threw five TD passes, including three to Jacquez Green in the first quarter, as the Gators (4-0, 2-0 SEC) overwhelmed the Wildcats (2-2, 0-2). Kentucky's Tim Couch who entered the game with a nation-leading 15 TD passes, was 33-of-59 for 348 yards and two scores. But he was sacked four times and had three passes intercepted.

No. 5 North Carolina 48, Virginia 20 In Chapel Hill, North Carolina scored 45 straight points. The Cavaliers (1-2, 0-1 ACC) took a 20-3 lead late in the first half before the Tar Heels (4-0, 2-0) rallied.

No. 7 Ohio St. 31, Missouri 10 In Columbia, Missouri, backup quarterback Joe Germaine threw two touchdown passes to David Boston and directed a third scoring drive as Ohio State (4-0) recovered from a sluggish start to beat Missouri (2-2).

No. 8 Auburn 41, Central Florida 14 At Auburn, Dameyune Craig passed for 360 yards and two touchdowns as Auburn (4-0) beat Central Florida (1-4).

College Football Roundup

No. 11 Iowa 38, Illinois 10 In Iowa City, Tavian Banks rushed for 191 yards and two TDs as Iowa (4-0) rolled over Illinois (0-4).

No. 16 Colorado 20, Wyoming 19 In Boulder, Colorado, Ben Kelly returned a kickoff 99 yards for a touchdown and Jeremy Aldrich kicked an 18-yard field goal with three seconds left as Colorado (2-1) rallied to beat Wyoming (3-2).

Georgia Tech 23, No. 17 Clemson 20 In Atlanta, Brad Chambers kicked two field goals for Georgia Tech after the regular kicker was injured. He booted the winning 20-yarder with 1:54 remaining.

No. 23 Brigham Young 19, Southern Methodist 16 In Dallas, Brian McKenzie's 15-yard TD run on BYU's third overtime play won it for the Cougars (2-1, 1-0 WAC).

No. 24 UCLA 40, Arizona 27 In Pasadena, Skip Hicks tied a school record with four touchdowns and became UCLA's career TD leader.

No. 25 Arizona State 13, Oregon State 10 In Corvallis, Oregon, Robert Nycz kicked two second-half field goals and Arizona State (3-1, 1-0 Pac-10) survived 14 penalties to prevail against Oregon State.

Colgate 44, Cornell 38 Ryan Vena, the Colgate quarterback, ran nine yards for an overtime touchdown to earn his team a victory at Cornell.

Cornell (1-1) evened the score with 24 seconds left in regulation time when Scott Carroll threw a seven-yard touchdown pass to Eric Krawzyck. The Big Red then had a chance to win in overtime, but John McCombs missed a field-goal from 42 yards.

Princeton 9, Fordham 7 Alex Sierk kicked a 42-yard field goal to give Princeton a victory over visiting Fordham.

Sierk was 3 for 3, making him the only perfect part of a shaky first victory of the season for Princeton (1-1). The Tigers turned the ball over four times.

The Rams (2-2) could have topped the two-victory mark for just the second time since joining Division I-AA in 1989.

Dartmouth 35, Holy Cross 6 Pete Sellers, the Dartmouth quarterback, fired three touchdown passes as the Big Green beat Holy Cross.

Dartmouth (2-0) took advantage of penalties and turnovers by the Crusaders to win its 19th consecutive game. Holy Cross fell to 1-2.

Harvard 35, Lehigh 30 Harvard (1-0) took a 35-6 lead at Lehigh, then withstood a 24-point fourth quarter rally by the Engineers to hold on for the victory. Down 35-6 at the end of three quarters, Lehigh (1-1) scored four touchdowns in less than 10 minutes.

Brown 35, Lafayette 27 James Perry, the Brown quarterback, recovered from three third-quarter interceptions to connect for two fourth-quarter touchdowns and lead Brown over Lafayette.



John C. Hillery/Reuters

A pack of Michigan's offensive linemen celebrating as the clock runs out in the fourth quarter of the Wolverines' 21-14 victory over Notre Dame.

On Confederate Turf, A Flap Over a Flag

The Associated Press

OXFORD, Mississippi — Despite a plea from Tommy Tuberville, the University of Mississippi's football coach, Confederate flags flew in the students' cheering section for the Rebels' homecoming game — a 15-3 victory over Vanderbilt.

Students waved the stars and bars on Saturday and wore hats and shirts bearing the flag. Some female students wore skirts in the design of the flag.

"It is up to the student body to decide — it is not up to the chancellor, the football coach or a dictator," said Greg Brown, a graduate student, as he and a female companion entered the student section carrying several Confederate flags. Coaches at several southern schools have said the flag hampers the recruitment of black athletes.

Tim Jumper, a former Mississippi basketball player who is black, said the flag "really hurts the school."

THIS WEEK ON EUROSPORT

The European football season is now in full swing as Sampdoria seek to overturn a first leg reverse against Athletic Bilbao, Can Jurgen Klinsmann put the Italian giants back on course for another title hoping?

Football:
30 September, LIVE, UEFA Cup, first round second leg
Sampdoria head to Bilbao hoping to recover from a 2-1 home defeat while Liverpool and Celtic are evenly poised after a 2-2 draw in Glasgow

Football:
2 October, LIVE, Cup Winners' Cup, first round second leg
Vicenza of Italy travel to Legia Warsaw with a 2-0 home victory under their belt the same margin that Seville take to Budapest

Motorcycling:
3 - 5 October, LIVE, The Australian Grand Prix
Phillips Island hosts the final round of the 1997 FIM World Championship and Michael Doohan will want to end the season with a win in front of his adoring home fans

Tennis:
29 September - 5 October, The ATP Davidoff Swiss Indoors, Basel
With $1m of prize money at stake Basel always attracts a strong field



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هكذا من الأصل

WORLD ROUNDUP

Villeneuve Wins as Sibling Rivalry Dooms Schumacher



Denis Doyle/The Associated Press

Alex Zulle winning the three-week Vuelta race on Sunday.

Zuelle Wins Vuelta

CYCLING Alex Zuelle, riding for the Spanish Once team, won the Tour of Spain on Sunday for the second consecutive year. It was the fifth Swiss triumph in the Vuelta in the last six years.

Zuelle finished the 22-day tour five minutes and seven seconds ahead of Spain's Fernando Escartin with the Swiss Laurent Dufaux third, 6:11 in arrears.

It was the fastest of 52 tours, averaging more than 41 kilometers (24.5 miles) an hour.

The final stage over 148.5 kilometers through the suburbs of Madrid was won by Max van Heeswijk in a finish on the boulevard outside Real Madrid soccer stadium.

The Dutchman broke clear in the last kilometer to hold off a late charge by the Czech Jan Svorada, who was second ahead of the German Marcel Wust. *(Reuters)*

Sampras Crushes Rafter

TENNIS Pete Sampras crushed Patrick Rafter, the U.S. Open champion, in straight sets Sunday in the final of the Grand Slam Cup.

Sampras secured the prize of $2 million with a fine display of attacking tennis to beat Rafter, 6-2, 6-4, 7-5, in a one-sided final that lasted 95 minutes.

Sampras, the Australian Open and Wimbledon champion, collected $1.5 million for his victory and a $500,000 bonus for his two grand slam triumphs.

Rafter, making his debut in the tournament for the top performers in all four grand slams, earned $1 million — $750,000 for appearing in the final and $250,000 for winning the U.S. Open.

• Jana Novotna, the world's second-ranked player, beat Amanda Coetzer of South Africa in three hard-fought sets to win the Leipzig Open for the second time.

Coetzer had knocked out top-ranked Martina Hingis in the semifinals of the $450,000 tournament, handing the Swiss teenager only her third loss this year.

Novotna beat Coetzer, ranked fourth in the world, 6-2, 4-6, 6-3, in just under two hours. *(Reuters, AP)*

India Folds in Pakistan

CRICKET Aqib Javed, a Pakistan pace bowler, took four wickets in eight balls Sunday as India collapsed to 170 all out in a one-day international in Islamabad. Pakistan then cruised to a five-wicket victory.

The Indians batted first and were well placed at 166 runs for four wickets before collapsing.

Pakistan romped home in 44.3 overs after opening batsmen Saeed Anwar and Shahid Afridi laid the foundation of victory with a partnership of 70 from 78 balls. *(Reuters)*

The Associated Press

NURBURGRING, Germany — Jacques Villeneuve benefited from the failings of others as he captured the Luxembourg Grand Prix and seized the lead in the Formula One standings on Sunday.

Michael Schumacher, who started the day at the top of the drivers' rankings, collided with his brother, Ralf, on the first lap. Both had to abandon the race.

Mika Hakkinen of Finland, who had started from the first pole position of his 94-race career, seemed headed for an easy victory on his 29th birthday. But the engine of his McLaren-Mercedes gave out on lap 43, giving Villeneuve the lead.

Hakkinen was leading by nearly 18 seconds when he pulled off the track just one lap after his McLaren teammate, David Coulthard, had blown his engine at the same spot.

"I couldn't have caught the McLarens, they were flying," Villeneuve said.

The Canadian steered his Williams-Renault to his seventh victory of the season and a 9-point lead over Schumacher with two races left. Villeneuve slowed down in the last lap but still finished nearly 12 seconds ahead of Jean Alesi of France, who drove a Benetton-Renault.

Heinz-Harald Frentzen of Germany, in the second Williams-Renault, was third for the fourth race in a row.

"I was hearing strange noises in the car, so I didn't want to risk anything," Villeneuve said.

"Now all I have to do is stay ahead of Michael."

Alesi had battled to the front after starting 10th, while Frentzen, who started third, had fallen to 13th early on.

"I was dropping behind, I didn't know why, then I saw that the ignition switch was off. I managed to get it on again," said Frentzen, the only one of the three German drivers to finish the race.

Gerhard Berger of Austria, in the second Benetton-Renault, was fourth, giving the Renault engines the top four places.

Michael Coulthard, in his McLaren, had a blazing start to zoom from sixth to second before he was forced to pull up.

It was also the third race in a row in which Hakkinen's victory hopes were blown by engine problems.

Michael Schumacher's 100th Grand Prix ended in disappointment when he was pushed off the course by his younger brother, Ralf. Coming off the start straight, Michael Schumacher was sandwiched between the two Jordan-Peugeot cars, one driven by Ralf, and the other by Giancarlo Fisichella of Italy.

Going into the curve, Fisichella and



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Michael Schumacher's Ferrari spinning off course Sunday after a collision with his brother's Jordan-Peugeot.

Ralf Schumacher touched, sending Ralf's car flying over the right front wheel of Michael Schumacher's Ferrari. Michael returned to the track from the gravel, but went into the pit after the second lap and never came back. The two Jordan cars also were forced to stop.

Ferrari lost its second car when Eddi Irvine pulled up on lap 23 while in 10th place.

Villeneuve covered the 67 laps — a total of 305 kilometers (189 miles), in one hour, 31 minutes, 27.84 seconds, clocking an average speed of 200.232 kilometers (126 miles) per hour.

Only 10 cars of the 22 finished the race.

CUP: *Europe Keeps Ryder*

Continued from Page 1

unique pressures created when individuals play for their country or continent, with no prize money involved.

The Americans will spend the next two years trying to work out how they lost lost, but then they never have understood Severiano Ballesteros, Europe's non-playing captain, and they probably never will. The 40-year-old Spaniard was involved in all sorts of ways.

The three-day tournament was played in his country for the first time, on the Valderrama course he helped redesign.

The senior players on the team had learnt from Ballesteros how to beat the Americans. At the end of doubles play Sunday morning, Europe had seized the enormous advantage of a 10½-5½ lead.

Over the closing holes of singles play Europe held on barely, as if no longer hearing their captain's words but trying to relive his actions, which included winning the British Open with a shot from parking lot and other such escapes.

When Bernhard Langer of Germany won his match, 2 and 1, after Brad Faxon missed a putt for birdie on the 17th hole, the Europeans had the 14 points necessary for the draw they needed to keep the cup. But Ballesteros wanted victory, and on the 18th hole of the final match he took it.

This probably should have been Colin Montgomerie's duty, but Ballesteros didn't want to wait. He strode onto the green and conceded a long par putt to Montgomerie's opponent, Scott Hoch, halving their match and finishing off Europe's 14½-13½ victory.

Europe has won or retained the Ryder Cup five of the last seven times. Over the preceding 56 years, the United States owned the cup all but three times — but that was before Ballesteros started having his way.

"I don't think I can have anymore," said Ballesteros, who became the first European to win Ryder Cups as both a player and captain. He said he would not captain Europe at the next Ryder Cup in Boston in 1999, even though he has revolutionized the position. "I've won the British Open, the Masters, a lot of tournaments around the world, but there's nothing like this," he said.

Virtually every European played well, most notably Colin Montgomerie, Bernhard Langer, Jose Maria Olazabal and Costantino Rocca. The Americans were especially disappointed in the play of their young major champions, Tiger Woods, Justin Leonard and Davis Love III. Altogether, they played in 13 matches and won just one of them, losing nine. Love, who won the PGA Championship last month, lost all three of his doubles matches Friday and Saturday and lost again in the singles Sunday.

"For me to get only 1½ points out of five is very disappointing," said Woods, 21, who won his opening match in the



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Two members of Europe's Ryder Cup team, Costantino Rocca, left, and Jose Maria Olazabal, celebrating.

fourballs with Mark O'Meara on Friday morning and didn't win again. "I just couldn't get any momentum going. To be honest, I felt so much pressure out there. I felt it on the first day, I felt it again on the second day and even more today. I have felt it so much all week. It is so hard to play for the Ryder Cup when you're playing for your country as well as yourself."

Tom Kite, the U.S. non-playing captain, said he should have "requested a little stronger" that all of his players attend a practice session at Valderrama in July. The host team had been superior around the greens, he said, because they were so well acquainted with the narrow course on the Costa del Sol, the site for the European Masters each season.

"I don't think that local knowledge made the difference," Ballesteros said. "I honestly don't think the American team lost the Ryder Cup. I think the European team won."

Kite is sure to face criticism back home for ceding the initiative to Ballesteros over the first two days of doubles play. Ballesteros had a plan and he saw it through like a contractor, driving his cart from site to site, predicting trouble and arriving on the scene in time to solve it. Kite will be remembered, and not unfairly, for giving Michael Jordan a lift around the course on Saturday.

If the Americans are going to be unhappy about Kite's failure to motivate his players, then the blame should go entirely to the PGA of America for giving him the responsibility almost two years ago. Kite has never been the inspirational type.

In hindsight, a telling moment came during practice last Wednesday when a U.S. foursome arrived at the fearsome 17th, where Tiger Woods took to copying Phil Mickelson's flop shots and Mickelson hit a chip from a steep hill straight up over his head, landing it on the green directly behind him. Then, behind them, came four Europeans who provided no such entertainment for the gallery. The Europeans were playing a serious match against each other and that was Seve's doing. Two days before the tournament, and they were concentrating already.

Ballesteros was unquestionably the boss, and as of Friday morning he was fighting for every point as if it were Sunday afternoon. He put together his strongest teams as often as he could, forcing the best players — Nick Faldo, Langer, Montgomerie, Olazabal and Jesper Parnevik — to take on a sense of responsibility for the entire team.

No one let him down. As soon as any of his troops appeared to be breaking down, Ballesteros seemed to drive up in his cart like a handy roadside mechanic. He permitted them no chance to feel sorry for themselves. He focused them on making the most from every shot, and players such as Ignacio Garrido of Spain (who halved all three of his doubles matches), Darren Clarke of Northern Ireland (who won his fourballs with Montgomerie) and Thomas Bjorn of Denmark (who won his fourballs with Ian Woosnam), did more with their chances than they have all year on the relatively meek European Tour.

The Americans may have been lacking in interpersonal skills, resulting in their five-point deficit at the end of doubles play. But when they were sent out as a team of 12 individuals on Sunday, afternoon there was little stopping them.

The first four singles matches were divided hopscotch. Couples, in the opening match, went 7-under for an 8-and-7 beating of Woosnam, who remains winless in Ryder Cup singles. O'Meara beat Parnevik, 5 and 4.

Crucially, the top Americans, Love and Woods, were beaten by Per-Ulrik Johansson of Sweden (3 and 2) and by Rocca (4 and 2). When he was Woods's age, Rocca was working in a factory.

Never mind their problems over the first two days. If Love and Woods had just won their singles matches, the Americans would have been on a run. Instead, Rocca, who was blamed for missing a putt that led to Europe's loss in 1993, finished with three victories from his four matches.

Europe was leading by 12½-7½. But the scoreboards round the course were being dominated by the Americans, who were leading six matches.

U.S. Players Knew They Needed Help

By Ian Thomsen
International Herald Tribune

SOTOGRANDE, Spain — The Americans went to their beds Saturday night realizing that only a miracle would save them Sunday morning. Their expressions betrayed any of their words of faith.

The Ryder Cup was decided Saturday morning when Tom Kite, the U.S. non-playing captain, sent out his best pairings — a day too late, as it turned out. By then, the Europeans' confidence was already established. Following a delay by rain, they won six of seven points to take a 9-4 lead into Sunday morning, when three leftover doubles matches still had to be completed.

The United States went on to split the remaining three points Sunday morning as Tiger Woods and Justin Leonard halved their foursomes (alternate-shot) match with Jesper Parnevik of Sweden, who had lost the British Open to Leonard in July, and the heretofore unheard-of Ignacio Garrido of Spain. Given the chance to take the lead at 17, Woods ran a long eagle putt 15 feet too far and Leonard failed as well.

Saturday amounted to a coronation for Nick Faldo, the 40-year-old Englishman who had apparently lost his way on the U.S. Tour this summer. He and his countryman rookie, Lee Westwood, finished off their suspended foursomes match in the morning, then went out again and beat Woods and Mark O'Meara, 2 and 1, in the fourballs. By then, Faldo had become the leading scorer in Ryder Cup history with 24 points, a half-point better than the record of America's Billy Casper.

Faldo owns or shares 10 Ryder Cup records, including the most appearances: 11 in a row dating back to his debut 20 years ago. Crucial to the lopsided European victory was Faldo's handling of Westwood, the 24-year-old who hadn't won on the European Tour this year. Faldo carried him entirely over the last 12 holes of their opening fourballs on Friday before losing to Fred Couples and Brad Faxon on the 18th, but then Westwood lived up to his duties while continuing to partner Faldo over the next three rounds.

Altogether Saturday, the U.S. teams of Fred Couples and Davis Love III, Justin Leonard and Brad Faxon, Tiger Woods and Mark O'Meara, and Phil Mickelson and Tom Lehman were able to earn a half-point from their fourballs matches. In three of them, they were leading at the turn. In three of them, they were 5-under par or better and still lost.



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